



# Oil Production and the transformation of livelihoods of communities in Ghana

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## Executive Summary

Since the oil production started, prices have continued to increase for most basic commodities everywhere in Ghana. Ordinary people on the streets are especially affected by these price increments. There is growing frustration within society that the growth in the economy since oil discovery and subsequent production has not translated into fulfilling the expectations of many people. This study aims to extend the focus of research on the influence of oil discovery on the Western Region to all the ten regions of Ghana. The study gathers the populations' perception on their living conditions, job situation and infrastructure conditions.

Friedrich-Ebert-Stiftung in collaboration with You-net conducted this study by conducting a quantitative survey across the ten regions of the nation using a total of 3000 questionnaires which were administered to individuals from various economic and socio-cultural backgrounds. This survey was conducted to get a clearer picture on the state of living conditions in the country since oil production started. The results are based on perceptions and experiences of the respondents gathered from the nationwide survey.

The document is divided into three main parts. Part one gives a background to the discovery and subsequent development of oil in Ghana. The benefits and the negative manifestations in oil producing countries discussed to show benefits of resource exploitation are not uniform in the endowed nations. The Livelihood Framework is used as an approach in depicting the expected scenarios oil exploitation in Ghana can have on the livelihood of the average Ghanaian.

Part one also describes how data for the study was collected. The sustainable livelihood framework was modified and operationalized to elicit the necessary information from respondents. The study areas used in the survey was selected given a wide number of considerations. The analysis of data was done using the Statistical Package for Social Sciences (SPSS).

Part two discusses the results of the study. In summary, the study finds that the prices of consumer goods and costs of living have increased drastically for areas with major economic activities, e.g. Greater Accra Region, Western Region and Ashanti Region. Infrastructure has also improved but respondents have a mixed feeling as to the equitability of its distribution. Whiles majority of respondents in the Ashanti Region indicated that their roads got worse, those in the Eastern Region, Western Region and Upper East say it remained unchanged. The roads in other regions have been improved or greatly improved.

Secondly though almost all Ghana is now connected to the national grid and therefore most respondents have electricity. Power cuts have however been persistent affecting domestic and economic activities. Even with this spread of infrastructure, migration continues on a large scale with two out of every five respondents having the desire to migrate to another place within the country. Popular migrant destinations continue to be Accra, Takoradi and Tema indicating a preference to move southwards within Ghana.

In health development, over 70 percent of respondents are found to contribute to NHIS. Fifty percent have some form of pension scheme indicating a problem with old-age poverty in the future in Ghana or higher financial pressure for families which are taking care of the

elders.

The concluding part of the study focuses on findings related to Ghana's oil discovery. More than fifty percent of respondents from this nationwide survey indicated that policies on oil and gas production did not influence their voting decision in the most recent election in 2012. They also believe that the incomes and revenues from the oil production are not spent wisely by the government and here sixty eight percent of the respondents stated that there is no equity in the sharing of the revenue. Oil has induced a price increase in almost everything and above fifty percent of respondents expects further price increments in future.

## **Part One**

# **Introduction and Background**

## Chapter One

### Oil production in Ghana

The production and export of oil in Ghana has a long-standing history and can be traced back to the 1970ies when oil was first drilled along the Western Coast of Ghana. The production reached substantial amounts and began to play a role in the structure of the Ghanaian economy in 2007 when oil was discovered in commercial quantities. Oil was found offshore along Cape Three Points in the Western Region by a consortium after years of prospecting. The discovery which unitized two production wells in the Deep-water Tano block and the West Cape Three Points block was named Jubilee Field in commemoration of Ghana's 50th anniversary as an independent nation. Other major discoveries have resulted in current production in a second oil field, the Tano Enyire Ntomme (TEN) which began production in 2014.

Jubilee Field started with a daily production of 80,000 barrels per day and has currently reached a production level of 110,000 barrels per day which is almost at the expected peak of 120.000 barrels per day. The table below summarizes total production and revenue earned from oil production.

As the law prescribes, a percentage of oil revenue is made available for funding the annual budget and is deposited into a Consolidated Account. Annual government spending since oil production began has increased from The Ministry of Finance is in charge of utilizing this revenue to support the national budget with parliamentary approval. According to the Ministry oil revenues so far have been spent on four focal areas: "Expenditure and Amortization of Loans for Oil and Gas Infrastructure; Road and Other Infrastructure; Agricultural Modernization; and Capacity Building (including Oil and Gas)" (Terkper 2013:10). This spending pattern has been rejected by some civil society organizations on the grounds that the justification for spending of 80 percent of the revenues on road infrastructure while neglecting the provision of basic service, such as health and education is not right.

The nation also lacks a comprehensive development plan which sets the agenda for the country to follow the selection of projects to be funded by the revenue from oil have not been based on an established pattern. Political influence and preferential treatment for certain projects are seen to determine the choice of the areas which have benefited from the increased revenue spending.

Although the claim of traditional chiefs of the Western Region for guaranteed revenue allocation of 10 percent to their region has been neglected in the legislative procedures, it is noticeable that the Western Region has got exactly 10 percent of the revenues. However, other regions got a significant higher stake of the oil revenues. So the question arises if the local chiefs would have done better to avoid a clear claim (Amin 2011).

For the year 2013, the Minister of Finance expected an increase by about 40 million US dollars to a total amount of 581 million US Dollars (Reuters 2013). It is worth noting that the small oil field at Saltpond is producing oil since 1978 with current production levels of about 550 barrels per day (GNPC 2013).

The production of oil in Ghana has also attracted high expectations especially among the youth of the nation as a previous study of FES and You-net on “Youth and Oil & Gas Governance in Ghana” revealed in 2011. These expectations are not baseless and unfounded. Increased revenue from oil is believed to have fuelled the growth of many oil producing countries in the world. Norway in over twenty years after oil discovery and exploitation has experienced unprecedented growth and development. Mexico and Malaysia have also fared well in oil related growth. Since 1970, oil has consistently accounted for almost 90% of Nigeria’s export income. Growth in revenues since oil was discovered is evidenced by the over US\$ 350 billion Nigeria cumulatively earned over the period of 35 years. The worry is these huge growth figures in Nigeria’s revenues have however not translated into reduced poverty for many people in the resource endowed nation. The percentage of Nigerians living below the poverty has risen from 27 in 1980 to 66 in 1996 and to 70 in 2000.

The Nigerian economy has also experienced consistently instability in revenue earnings due to its overdependence on oil. Other economic activities such as agriculture which were engines of growth in the Nigerian economy prior to oil discovery have gradually degenerated over the years and become almost non-existent. The most significant and discussed aspect of oil development in Nigeria has been the resource fuelled conflicts of the Niger Delta.

After almost fifty years of oil development in Nigeria, environmental destruction is chief amongst the effects of oil exploitation in the Niger Delta Region. A total of 6,000 wells have been sunk, roughly every ten square kilometres in the oil rich states of the Delta. Abandoned oil fields with slow emissions continue to pollute the atmosphere. In addition, oil has destroyed the subsistent farming and fishing activities especially of women in the region (Turner & Brownhill, 2004). The resultant destruction of the livelihoods of the communities in the Delta Region has fuelled massive violence and persistent conflicts amongst the various ethnic groups. The region is recognised as one of the most volatile in the oil producing regions of the world.

Yet the Niger Delta is where oil exploration and production activity is concentrated and it is through this sector that Nigeria still earns over 90% of its export revenue. The region is said to be poorer than what pertains as the national average. At the national level there are still conflicts which centre on the sharing of oil revenues and the allocation of public goods which communities of the delta insist should be provided to adequately compensate for the damages the region continues to experience.

The major part of the Ghana’s oil sector activity is predicted to concentrate in six districts in the Western Region. These districts are coastal and have communities which are dependent on fishing as a main means of livelihood. Several forums have been carried to discuss the likely impact of oil and gas discovery on communities in affected districts and in the management of the wealth for the benefit of all Ghanaians. Friedrich-Ebert-Stiftung (FES) in partnership with the Corporate Social Responsibility Movement (CSR) held a National Forum to discuss the Impact of Oil Exploration Activities on Fisheries in Ghana in March 2009. Amongst the major stakeholders were the Government, Companies involved in oil extraction, Traditional Authorities, Fisher folks and Civil Society Organizations.

Some of the major socioeconomic effects expected from the impact of oil activities were loss of livelihoods, especially fishing; flooding by migrants for jobs increasing the

unemployment rate in the region; inflation an increasing prices of items such as accommodation, food, leisure; increasing social vices such as commercial sex work, drug abuse, crime and the health implications from pollution.

Other studies have also been carried out on the livelihoods of women in a fishing community in Cape Three Points and conclude that there are challenges likely to be faced by the women which include their inability to find jobs in the oil sector since they lack the requisite skills (Boohene and Preprah, 2011). This phenomenon is noted to have occurred in Nigeria. Olusegun (2009) discusses how oil activity caused incomes to rise and this resulted in the commercialization of sex by women in the Niger Delta Region.

Another study discussing the implications of oil activity for regional and local development, projects that a greater part of the Western region especially the capital Sekondi Takoradi is likely to experience massive transformation with the oil activity (Owusu and Baffoe, 2011).

Visible signs of the occurring socio- economic changes have been recounted especially in Sekondi Takoradi, the capital city of the Western Region. This area has been referred to as “the oil city” of Ghana. It has experienced increasingly fast developments in the infrastructure and service sectors to meet the demands of the oil sector. There is an expected influx of foreign and domestic workers will most likely be accompanied by an increase of living and housing costs. Many people have expressed their fears about this resultant increase in rents and costs of land in the region. Land prices for instance are said to have doubled in the capital of the Western Region Sekondi Takoradi where demand for it is high. It has been suggested that this is related to the increased need for storage and accommodation facility (Owusu, 2011: Yalley and Ofori Darko, 2012).

Oil production will become a decisive turning point for local communities all over Ghana and not only those of the Western Region. The price changes in basic commodities are not peculiar to the Western Region alone. Whereas the effects on the communities in the Western Region have so far been discussed in academia, the media and by many civil society groups, the implications for the middle and northern regions is veiled and appears to be drowned in the euphoria of what oil will do for the Ghanaian economy.

The prices of basic needs such as electricity and water, services and fuel have been on the rise all throughout the country and subsidies removed causing many to ponder on the current benefits of the country’s increased growth in revenue and spending especially since oil was first produced. There are several reported cases of expropriation of the revenues being earned and the assertions of environmental pollution have caused feelings of unsettlement on the benefits the resource is bringing in. Nevertheless Ghana is considered an icon of hope with its efficient establishment of the necessary and relevant laws to guide production and revenue management activities in the oil sector.

### **1.1 Purpose and objectives of the study**

The overarching aim of the study was to investigate the current living conditions of communities in Ghana since oil was discovered. In line with this the study sought to achieve the following objectives:

1. The housing and job situation of people and how this has changed since 2009.

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2. Tendencies of internal migration movements and their impact on the communities involved.
3. The changes in the prices of basic commodities within the last five years across the whole country
4. To identify and reveal if there are areas of tension and discontent.

Based on the findings of the study, scenarios were created and recommendations made to add to the growing literature on nation's growth as an oil producing nation.

## Chapter Two

### Theoretical Considerations

#### 2.1 Natural resource development, economic growth and livelihood

There are essentially two schools of thought on resources exploitation in development theory. The first sees exploitation of natural resource discovery as the key to development because it causes massive changes which provides the impetus to economic growth. The second is the not entirely opposite but believes that natural resource exploitation does not always result in the positive economic growth and development of the resource regions but rather results in a “curse”.

These divergent views are founded on the observation that there are natural resourced economies which have progressed steadily in their economic growth such as Norway and Botswana. Others with no resources at all have also undergone dynamic economic growth all within the last half century. A third group of countries that despite their continuous exploitation of natural resources have stagnant economies which did not grow at all and there are periods of time in their history where they experienced negative growth.

This phenomenon where natural resource development leads to negative economic growth has been termed the “natural resource curse”. The issue of oil exploitation and its implication on the state institutions as well as economic performance and failures of some oil producing states has often been linked to the resource curse theory (Auty 1993, Le Billon 2005, Collier 1998, Basedau 2005). This analysis though which has proven useful in analyzing resource development at the macro level tends to have limitations as it focuses on certain issues such as terms of trade of the resource in the long run which is also associated with the price volatility of the resource, the ability of the resource to crowd out other economic activities also linked to the Dutch Disease Syndrome, civil war and weak institutions (Frankel, 2010).

The development discourse itself however changed its focus from the use of economic indicators such as Gross Domestic Product and Gross National Product to other human development indicators such as livelihood and sustainable livelihood after the Brundlandt Commission Report in 1987 which acknowledged the concept of basic needs of the poor and put sustainable development on the development agenda for many nations. Then in 1992 the release of the United Nations Human Development Report saw the growth of a concept which gained grounds as a practical way of assessing development which is relevant and more people centred. This was the livelihood and sustainable livelihood concepts. The use of these two concepts has been strengthened with frequent use till date and is a part of many key development plans. It is employed through various approaches and perspectives.

Aspects of resource exploitation at the micro level, such as the situation of individuals and how they are affected by ramifications which may have been triggered by oil production, needs to employ such a people-centered approach. This framework is why the study uses the Livelihoods concept as the framework for investigating the research objectives.

The simplest way of understanding the term ‘livelihood’ has been provided by key thinkers Chambers and Conway (1992) who defined it as a “means of gaining a living” (Chambers and Conway 1992:5). This concept of livelihood perceives the world from the point of view of

“individuals, households, and social groups who are trying to make a living in volatile conditions and with limited assets” (Dugbazah 2012:105). Moreover it tries to relate the impacts and significance of external shocks to the availability and access of certain assets to the poor. Scoones (1998) has also defined the concept of livelihood as follows:

*“A livelihood comprises the capabilities, assets, (including both material and social resources) and activities required as a means of living. A livelihood is sustainable when it can cope with, and recover from stresses and shocks, maintain or enhance its capabilities and assets, while not undermining the natural resource base” (Scoones 1998 as quoted in Dugbazah 2012:105)*

Studies conducted using the livelihood concept often defines a scope within which the phenomena can be examined. This also limits or provides boundaries for assessment. In most studies the household is provided as the scope. The household’s activities therefore constitute the total activities defining the ability of the household to secure a particular livelihood. A household combines all people that share “the same hearth for cooking” (Chambers and Conway 1992:6). This human group seeks to “mobilize resources and opportunities” and to combine these into a livelihood strategy which is a mix of productive and reproductive activities; income, labor and asset pooling” (Grown and Sebstad 1989 as quoted in Rakodi 2002a:7).

Chambers and Conway again presented the “sustainable livelihoods” as a linking of the three most important concepts defining the livelihood of an individual. These concepts are capability, equity and sustainability” (Solesbury 2003:5).

## 2.1 The Livelihood Framework

In 1998 Carney introduced a framework of livelihood analysis – the Sustainable Livelihood Approach (Figure 1) – which was applied in this study.

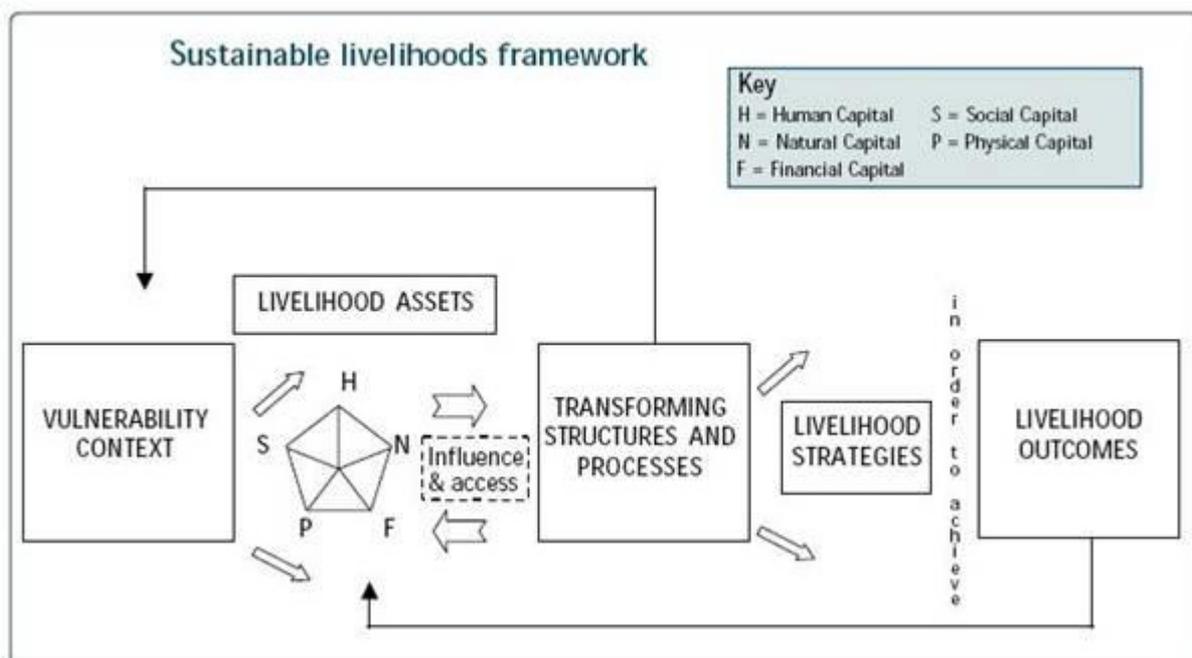


Figure 1: Framework of Livelihood Analysis (Carney, 1998)

The concept of SLA has been implemented and adopted as guiding principle and major analytical tool for donor organizations. As a tool in development projects it has facilitated an appropriate way to map the needs of the poor, to understand how to tackle challenges the facing the poor and to enhance the distribution of goal-directed aid of international donor organizations. It is also important to state that from the very beginning of livelihood research in the early 1990ies different variants of the Sustainable Livelihoods Approach have been introduced. Particular international organizations highlighted distinct aspects of the approach and changed the focus and design according to their priorities. The DFID model, which is used in this study, is a clear people-centered approach and focuses on the access to assets. More than any other model, this approach to analyzing livelihoods includes institutional and political issues. Other prominent ways of tackling livelihood challenges have been employed by CARE, OXFAM and UNDP. These models however tend to neglect the aspects that should be considered in this study which seeks to analyze the effects of oil production on local livelihoods (Carney et al. 1999). The DFID model has also gained experience in its use and applications over the years in different countries and environments and as such is considered the ideal tool for this study.

The DFID model puts access to assets of any group of people (such as a house household) in the middle of the analysis. These assets are subdivided into five core capitals (1) human capital, (2) natural capital, (3) financial capital, (4) social capital and (5) physical capital (Serrat 2008). The assets then combine with the capabilities of the group. Capabilities are defined more as abilities such as knowledge and education which the individual or household owns and which will in turn help to possess other assets.

The achievement or failure of having the right capabilities and owning the assets is dependent on and often times influenced by the prevailing transforming structures and institutions summarized as the vulnerability context. These transforming structures and processes are the institutions, organizations, policies and legislation which determine access to the five different types of capital, terms of exchange between the different types of capital and the economic and other returns from the livelihood strategies." (FAO, 2013b). "To be a member of a community or society is to live within a set of social institutions" (Knight, 1992). Institutions will always exist and they take various forms and vary from one society to the other. Institutions present uncertainties which impinge on the livelihoods of people living in rural and in effect livelihood change occurring in communities, endowed with natural resource discovery such as oil could be a product of the existing institutions. The gain of a secure livelihood is under constant threat given the levels of vulnerability comprising what is referred to as "trends, shocks and seasonality". Coping mechanisms evolve over time to deal with the shocks trends and seasonality. A livelihood strategy which can adapts these mechanisms is described as sustainable.

To suit the context of the present study, the SLA framework was further simplified and modified. Assets and variables were cut to the lowest common denominator. The questions asked in the questionnaire needed to be comparable. Natural capital for instance was seen to vary in all parts of Ghana. There are regions which are well endowed with natural resources such as the Western Region whereas there are others such as the Upper East Region having none of this natural resource base. On the other hand, the other forms of capital would be available everywhere. Thus, our adjusted SLA consists of four asset components (1) human capital; (2) financial capital; (3) social capital and (4) physical capital which were seen as more uniform amongst our total study population.

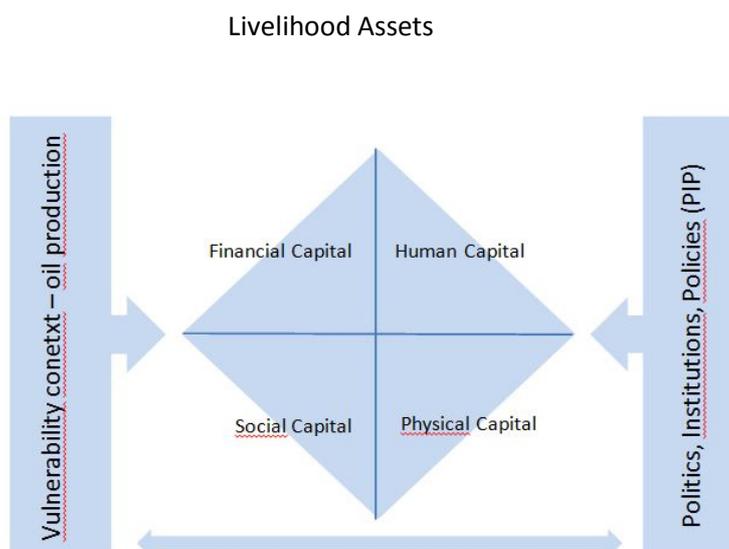


Figure 2: Sustainable Livelihood Approach (SLA), Carney et al. 1998

### 2.1.1 Livelihood Assets, Vulnerability Context and PIP

Our livelihood assets are represented by the various forms of capitals shown in Figure 2. The vulnerability context is presented by the discovery and subsequent production of oil. Thus oil is seen to have a deterministic effect on each type of asset and has the ability to shape the resultant livelihood approach the individual or household will adapt.

The first asset type *Human Capital* comprises the Labor market available, the level of education and the health status or environment available (Serrat 2008). The quality and quantity of human capital in a household directly affects the economic situation of the human group. “Lack of human capital in the form of skills and education for instance is seen to affect the ability to secure a livelihood more directly in urban labor markets than in rural areas” (Rakodi 2002a:10).

As stated by Basedau (2005) the oil industry employs mainly high-skilled workers to operate activities such as the running of the off-shore oil platforms and on-shore infrastructure, such as pipelines and refineries. The local population however has nurtured exaggerated expectations of employment opportunities. These hopes are likely to be dashed which, in turn, could lead to tensions between communities and oil companies. There could be an exception during the construction phase of the oil infrastructure when short-term employment of the local workforce is undertaken (cf. Waskow and Welch 2005:122). The reality to be faced then is in comparison to other industries, the oil industry is predominantly capital intensive and employs very little labor.

Environmental and health issues related to the extraction of natural resources have been also affecting human capital. A UNEP report published in 2009 points out that both environmental pollution and conflicts caused by the production of raw materials raise the health risks of local population (UNEP 2009). It is not only the raw material, in this case oil, which can be considered as a source of danger, but in the influx of foreign workforce that

“introduced various diseases among the indigenous communities” (UNCTAD 2007:151), including HIV/AIDS spread by prostitution, alcohol and drug abuse (cf. Waskow and Welch 2005:122).

The ability to generate *Financial Capital* also dependent on wages or proceeds of work and living costs in a household’s success in developing a livelihood strategy. In contrast to rural areas where losses in earnings and income are often cushioned by subsistence form of life, monetary income is essential to survival in urban economies. As such increasing costs of living which is not matched by increasing incomes becomes a burden for most households whose income generating opportunities are limited.

Oil production is often accompanied by the influx of high-skilled foreign workers who easily cause increases the demand for certain goods and services. Unmet demand eventually also causes prices to rise. Irrespective of the these increments, income sources often remain unchanged limiting the ability of local populations with no links to the oil sector to pay for goods that were previously affordable (ibid:122). This implies lower savings and less financial capital accumulation.

*Physical capital* discussed in this study consists of two basic needs of a household shelter and sufficient infrastructure. The costs of housing in oil producing countries often develop analogous to the price increase of goods and other services. Infrastructural provisions are also overstretched and become more expensive as the demand for it continuously goes up. This pressure is transmitted to local land and house owners who begin to demand more than they usually would charge irrespective of the consumer’s origin or income (Rud and Aragon 2013).

The term *Social Capital* embraces all social and community networks as well as the migration of people from one area to the other. It underscores the importance of social interactions and structures amongst individuals and households. The impact of oil production on the local social fabric can be incisive. It is believed that the influx of foreign workers and has consequences on oil producing regions. Sometimes the social fabric within communities could be shaken through “resentment among those who do not have jobs and the few that do” (ibid:122). Further it is argued that “the men who get jobs on a drilling site often abandon the traditional work and ways of life” (ibid:102) and this may become a motive for tension within the local community. Apart from those security threats, the increase of housing and living costs can trigger movements out of the community which destroys existing social networks.

### **Vulnerability Context**

The efforts of households to secure their livelihoods and assets are strongly influenced by the context within which they desire them. More than any other part of the society, the poor are at the mercy of external shocks, stresses and crises. Once hit by an external event, they are often lack the means to recover. These shocks and unforeseen events of which they have no control are summarized as the vulnerability context. Chamber and Conway (1992) describe vulnerability in two ways: “the external” that is the stresses and shocks to which a livelihood is subject; and “the internal” which is the ability or capacity to cope (Chambers and Conway 1992:10). A variety of coping strategies or events often employed to deal with

the shocks are summarized as follows: (1) stint; (2) hoard; (3) protect; (4) deplete; (5) diversify; (6) claim; (7) move (ibid:11).

Pertinent examples of external stresses and shocks are changes in demographics, resource discovery and supply; recurring seasonal changes and bad weather conditions like dry periods and famine or drastic price increases in basic goods such as fuel which have an effect on all other goods and services and conflicts or natural disasters (cf. Rakodi 2002a:14).

### **Policies, Institutions and Processes**

Access to assets in every organized society is determined by the shape of structures and systems that have been put in place. These structures are captured under one umbrella as Policies, Institutions and Processes (PIP). They “influence how, where, when and by whom assets are accessed, used, controlled and decided upon” (FAO 2008:13). Interactions of organizations, institutions and individuals are decisively influenced by political processes and this determines the context within which individuals and households construct and adapt livelihood strategies” (DFID 1999:1). PIP to a large extent borders on participation, power, authority, governance, laws, policies, public service delivery and social relations which are in turn also controlled by other characteristics such as gender, caste, ethnicity, age and so on” (ibid:1). Many people employ ways and strategies to develop their assets into livelihood outcomes depending on the existing PIP. DFID has outlined some aspects these strategies: “(1) poor people’s access to various assets (such as land or labour); (2) the benefits poor people are able to derive from different types of capital (through markets); (3) the environment for private sector investment; (4) the extent to which poor people are able to engage in decision-making processes; and individual and civil society rights” (ibid: 1).

#### **Policies**

At the macro level, policies on issues such as resource distribution, labour, education and health constitute some of the factors which act as a control on the assets possessed and the ability of the poor to gain access to these assets. The links through participation in local institutions and authorities is vital to ensure that the needs of the poor are heard at the national level. Information travels from the bottom to the top through these channels. The very existence of state institutions and public services on the ground is meaningless unless they have sufficient capacities to perform the way they should.

#### **Institutions**

A simple definition provided by Lowe and Schilderman (2002) suggests that institutions can be described as “the hardware which forms legitimate governance structures” (Schilderman and Lowe 2002:8). The term ‘institutions’ comprises among others “political, legislative & representative bodies; executive agencies and judicial bodies; traditional institutions; NGOs civil society, membership organizations and community governance systems” (FAO 2008:12). Those institutions are responsible for legislation and its enforcement, information about government policies and to interact with individuals and inform them on their rights and entitlements.

### Processes

The processes defined in the study show the implementation procedures undertaken in the enforcement of decisions made by state authorities who determine the shape of institutions. Local livelihoods can be influenced when the formulation and implementation of public policy is either more or less supportive of poor people's livelihoods [or] changes in institutions alter the incentive arrangements provided by organizations in their relationship with poor people. Examples of such situations are the removal of subsidies within a particular sector which employs majority of poor people in a region (DFID 1999:3).

When measuring the impacts of certain policies on livelihoods the following dimensions have to be taken into account the "content, process of policy formulation and methods of implementation" This in effect presents the comprehensive picture needed for the analysis of the livelihood concept (Schilderman and Lowe 2002:11).

## 2.2 The Paradox of Oil-fueled Poverty – Country Examples

*"It is difficult to walk far in Equatorial Guinea without tripping over a contradiction. This small, oil-rich country on the west coast of Central Africa is afloat in oil money. A new monument, glass high rise, or presidential mansion seems to appear each day, often right next to rusted shacks or polluted streams. Sharply-dressed government officials drive flashy Mercedes Benzes through the slums of Malabo, the country's capital, trying to miss the worst of the city's potholes. A grandiose presidential palace in Malabo commandeers an entire peninsula that juts out into the Atlantic Ocean. Within plain sight a few hundred yards away, families cram into small, tin-roofed shacks, and endure an unjust daily game of Russian roulette against the clouds of potentially malaria-infected mosquitos"(Kraus 2013). Joseph Kraus, ONE's US Policy Manager for Transparency and Accountability*

Equatorial Guinea is just one example of many in Africa. The contrast between the "haves" and "have not" in countries such as Angola and Nigeria is huge. Posh growing cities are found next to the extremely poor rural areas where people live in shacks can hardly afford to have three meals a day or give their children proper education and healthcare.

Paradoxically, the economic growth rates of oil rich African countries is often times very good, but is criticized as one which is mainly based on the performance of the extractive sector. Their heralded Gross Domestic Product (GDP) growth on paper is therefore a window-dressing, which does not relate to the development on the ground.

Nigeria's story is no different. Petroleum was discovered by Shell BP in 1956. By the 1960's oil production had commenced. Between 1970 and 1999, the petroleum industry generated about 231 billion US dollars in rents. This figure when translated into income per member of the population is 1,900 US Dollars for every man, woman and child. Yet still per capita income during this period fell from 264 US dollars to 250 US dollars (Ross, 2003). From 1970 to 2000, Nigeria's poverty rate (defined as the level of people living on less than a dollar a day) rose from 36 percent to almost 70 percent. In population terms this implies an increase from 19 million people to 90 million people (Sala-i-Martin & Subramanian, 2003).

Meanwhile the new oil revenue had effects on the Nigeria's economy and government. Oil annually produced over 90 percent of export income. In 2000, the figure was 99.6 percent

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of export income, making it one of the world's most oil dependent countries. Government spending rose from 8.4 percent of GDP to 22.6 percent of GDP from the early seventies to mid-seventies. By 1978, it dropped back to 14.2 percent of GDP (World Bank, 2002). Total average economic growth has not exceeded 1 percent in Nigeria despite what has been earned from its oil exports.

Reuter's correspondent Nicholas Shaxson travelled throughout Sub-Saharan Africa and always wondered how poverty can exist in some oil-rich countries and create even more severe problems such as high criminality, conflict and war, increased corruption and hunger. So is oil a driver for poverty? Definitely!

Resource-dependent countries with weak agricultural or industrial sector are the ones which often experience the "Resource Curse" (Auty 1993, Le Billon 2005, Collier 1998, Basedau 2005). This phenomenon is then worsened by oil-fuelled corruption. Higher royalties, taxes and other payments are tempting source of additional income for people in power. The privilege of access to these funds is only given to the relatively small rent-seeking elite.

All the different social developments in a specific country can lead to social unrest, conflict and even war. Poverty and unemployment seriously can fuel tensions between the rich and the poor in countries especially as the contrast between the classes continues to deepen.

## Chapter Three

### Methodology

#### 3.1 Design of the Study

As mentioned in the previous section, a sustainable livelihood approach was used as a guideline for this study. However, we had to define certain topics and issues that seemed to be most relevant for the study. Selection of variables was based on the relevance and practicality. The questions posed were limited to the scope of the study and did not exceed five pages, to ensure the fulltime attention of the respondent during the survey. Questionnaires were distributed to the local population aiming a cross-cutting sample of Ghanaians. Thus illiterates and poorly educated people had questions posed in more simplified ways to avoid confusion and complexities.

The study was conducted from April 1st to May 1st 2013. In total, 3000 questionnaires were printed and distributed in the 10 regions of Ghana.

Certain aspects of the SLA of practical relevance to the study were modified into variables and then framed into questions. These aspects are also captured in the analytical framework designed for the study. The various aspects of how the SLA approach was made operation is depicted in Table 1.

Capital	Variables	Question
Human Capital	Labor situation, Education and Health	Section 2: Job and Migration (Jobs in the oil sector) Section 3: Infrastructure
Financial Capital	Wages and proceeds from work, Living costs	Section 1: Personal Living Situation (Price developments, Households income)
Social Capital	in- and out migration	Section 2: Job and Migration (in- and out migration in the community)
Physical Capital	Housing situation	Section 1: Personal living situation (Housing situation)
PIP	Opinion on political situation/participation	Section 4: Political issues

Table 1: Operation Use of the SLA approach in the Design of the Study

#### 3.2 The Questionnaire Survey

The goal of the questionnaire survey in this study was to obtain statistical data on opinions of selected issues relating to oil discovery and production in Ghana from the greatest number of people possible. For the Friedrich-Ebert-Stiftung and You-Net, the most important aspects of this was to know the changes in the daily lives of respondents since oil production started in 2009. The study was based on the hypothesis that despite flowing oil

revenues and earlier promises of the politicians, there is a tendency that living conditions will worsen following the start of the oil production in 2010. As such questions were posed referring at all times to the situation in 2009<sup>1</sup> and 2013. The respondents were asked to compare the situation within this time frame and to indicate differences. Formulation of questions and the structure of the questionnaire were guided by the modified SLA model introduced earlier.

In order to ensure a better understanding, the questionnaire was not divided on the basis of the SLA dimensions but rather it was structured along thematic lines.<sup>2</sup> Under the first theme 'personal living situation' we asked for the costs of living (basic food, household expenditures), housing situation (rent, payment mode), water and electricity supply, financial situation (household's income, social security contribution). This was followed by a second theme 'job and migration'. The study population was asked if they had ambitions to join the oil industry or to move to the coastal area for job reasons. We also examined the in- and out migration in the communities the respondent came from. A third section on infrastructure (roads, communications, electricity/water, health facilities, educational facilities and cultural institutions) and its development over the last three years were identified. The fourth theme posed provocative statements about political issues and asked for the respondent's opinion on that. The answers to these questions were then combined with personal data about each respondent in order to gain trends based on the existing differences in education, age, employment, etc.

The questions were asked in a closed manner implying respondents would tick their choice from the given answers. This made recording of data easier there by enabling field coordinators to conduct more questionnaires on a daily basis. The questions were posed in two ways. There were grammatical questions where the respondent had different options to choose with the aim of rating the highest and least given responses during analysis. The respondent also had the possibility to provide their opinions if they chose the option "others".

The second type of closed questions was grammatical statements to which the respondent could give her/his opinion in a rank or ordered pattern: "strongly agree", "agree", "not sure", "disagree", "strongly disagree". From this a derivation of trends of opinions on certain issues from a large number of people was obtained. At the same time a picture more complex than a simple trend of "yes" and "no"-answers was obtained.

The language of the questionnaire was also direct and lacked ambiguity. Simple vocabulary was used in eliciting the necessary information from the respondents. Varying levels of education was considered important. The chosen sample size of 3,000 covering the whole country implied that all respondents would be literate. Field coordinators were trained to translate the questions into local languages if necessary. They also assisted respondents in filling the questionnaires by ticking their choices on their behalf.

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<sup>1</sup>Before production

<sup>2</sup> Questionnaire can be found in the annex

### 3.3 Distribution of the Questionnaire in areas selected for the Study

The questionnaires were administered to respondents in the ten administrative regions of Ghana. The population distribution within the regions was used in apportioning the 3000 questionnaires across the ten regions. It was observed that there are 3.6 million people in the Ashanti Region while there are only 600,000 living in the Upper West Region. If the questionnaires are distributed equally, respondents from less populated regions would have a greater advantage in total numbers causing distortions in the results of the study. A distribution key for the questionnaires was created using the percentage of the population within each region. As a result, the number of questionnaires administered varied from one region to the other. Six hundred and six questionnaires were from the Ashanti Region, while eighty-one were administered in the Upper West Region.

Respondents were above 18 years and were in formal and informal employment. Different income groups were considered in the distribution. The study aimed at getting answers which cut across the whole country. A rural and urban selection of the communities in the country ensured full coverage not only of bigger cities but also smaller towns and villages. The administrators of the study from FES and You-Net therefore identified within each of the ten regions the regional capital, a major town to distribute the questionnaires to adequately provide the urban and rural divide in communities across the country. For example, in Greater Accra, 364 questionnaires each were completed in Mallam, Dodowa and Accra Central. Table 2 summarizes the remaining study areas.

Region	No. of questionnaires	Village	District capital	Central city
Ashanti Region	606	Manso-Adubea	Antoa	Kumasi
Brong Ahafo	282	Bechem	Techiman	Sunyani
Central Region	233	Senya Breku	Winneba	Cape Coast
Eastern Region	288	Akosombo	Nsawam	Koforidua
Greater Accra	546	Mallam	Dodowa	Accra Metro
Northern Region	283	Tolon	Savelugu	Tamale
Upper East Region	125	Pusiga	Navrongo	Bolga
Upper West Region	81	Kumbiehi	Nadowli	Wa
Volta Region	235	Amedzofe	Agotime	Ho
Western Region	321	Axim	Daboase	Takoradi

**Table 2: Regional distribution of questionnaires, YouNet/FES**

The choice of regional capitals was automatic given that they are already labeled as so. District capitals and major towns were however selected on the availability of contact persons present in the field. These persons were mainly members or fellows of You-Net who were readily available to participate in the collection of data. Field coordinators earned 1 GH¢ per completed and returned questionnaire and transport allowance if they had to travel outside their area of habitation. To ensure the survey was conducted the same way in each region, a briefing paper was designed for the data collectors prescribing how to approach people and to ask questions. Also, explanations for possible questions that respondents might give to specific parts of the questionnaire were provided. Further support was given by making daily calls to the data collectors to ensure the rules of conduct were followed. Briefing papers were sent to each region with the questionnaires via FedEx

or were hand delivered to field coordinators who came to Accra prior to the research. For the purposes of easy identification, questionnaires to each region had a unique code-printed which could be identified through a coding system developed with the distribution key.

FES monitored the work of the field coordinators by calling them regularly and asking for their progress, leading questions, and experiences in the field. During these phone calls it turned out that the conduct of respondents differed vastly from region to region. While in the Upper East Region people gathered and eagerly tried to answer the questionnaires, a field coordinator from the Western Region explained that he had to give small amounts of money to people to encourage them. However, it can be summed up that the result of 82.7 % completed questionnaires out of 3,000 is extraordinary and can be termed representative for the population of Ghana.

The questionnaires were sent back to the FES office in Accra via Fed Ex or hand delivery from mid-April onwards. On the average the survey was very successful. Out of the 3,000 questionnaires originally sent out, the researchers received more than 2,482 back. All returned questionnaires were used for the data analysis. To evaluate the quality of the completed questionnaires some checking mechanisms were introduced. First of all, each returned questionnaire was counted in order to make sure the number the field coordinator had given was correct. In each region, approximately twenty mobile numbers of the respondents were randomly chosen and called. It was then confirmed if these respondents had answered a questionnaire of the sort. During the exercise, a few questionnaires were considered invalid and eliminated. Nevertheless, the vast majority of them had been completed using the guidelines provided in the briefing paper. Field coordinators were paid after checking the questionnaires assigned to them and affirming their authenticity.

### **3.4 Analysis of the Data**

The double-checked questionnaires were then given to employees of the Youth Network for Human Rights and Democracy who entered the data in SPSS format for analysis. Initial analysis uses the bio data of the respondents, a comparison of regional responses, male and female differences in the given responses, rural and urban comparisons amongst other indicators made it possible to analyze the disparities of each category.

### **3.5 Problems and Limitations**

Though the survey was conducted with a lot of organizational effort, as happens in almost all quantitative studies there were limitations to the study that cannot be ignored. Firstly, FES and You-Net fully relied on the professionalism of the field coordinators who directly approached the respondents. Though great care was taken to regularly stay in contact with the data collectors in the field, there remains a possibility that some respondents understood questions in a different way from others. Also the strategy field coordinators used in choosing respondents in their respective areas is not known though it was stated the approach should be as random as possible in the briefing paper. A maximum of two persons per a household was allowed but there was no guarantee that friends and relatives would not influence responses given during the survey.

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This was identified as a weakness of the study. Most of the respondents who participated were either approached in the universities or at their workplace. Field coordinators focused on these areas and the result was a high number of the respondents were educated. Though there are advantages of this such as more accurate and reliable data, it also implies data was skewed towards certain groups in the country. Consequently, an extremely high number of respondents have a university degree or are in formal employment.

Nonetheless, the extremely high sample size gave adequate representation to nationwide opinions on the relevant issues and hence enabled the researchers to draw valid conclusions for the study.

## **Part Two**

# **Findings of the Study**

## Chapter Four

### Changes in the Living Conditions of Respondents

As has occurred in most oil producing countries, there were increased expectations amongst Ghanaians that their living conditions would improve as a result of the oil. The hope was a higher income for the state and the redistribution of this wealth through investments in education, health care and infrastructure among others. This would then help improve the living conditions of the citizens. At the same time, Ghanaians also expected more jobs to be created in the oil industry in order to reduce the level of unemployment in the country.

However, three years after the drilling of the oil began in Ghana perception of citizens are no longer the same about the oil find. Ghanaians rather insist there has been a persistent increase in the prices of goods and services as a result of the oil especially in the Western Region, which is closest to the oil resource. There is also the perception that there is difficulty in securing employment in the oil industry contrary to earlier belief in increased employment opportunities. This is because a majority of the oil firms have employed expatriates who possess the appropriate skills for the oil sector.

#### 4.1 Personal Information – Bio-Data of Respondents

The study analyzed the data from 2,482 respondents and the summary statistics are presented in Table 3. About 75% of the respondents were 35 years or lower whereas those above 61 years constituted only 2.1% of the participants. There were more males (55.4%) than females (44.6%). Majority of the respondents have first degree (38.7%) and secondary education (33.7%). A little above 6 percent of them had received a postgraduate degree whilst only 3 percent have no education. About 19 percent of the respondents have 8 children or more whilst most of them (66.2%) have one to five children. Thirteen percent (13%) have 6 to 7 children. Most of the respondents are students (30.3%) and public sector workers (26.7%) and the remaining 8 percent are not employed.

<b>Table 3: Summary Statistics of the respondents</b>		
	<b>Characteristics</b>	<b>% of respondents nationwide</b>
Sex	Male	55.4
	Female	44.6
Age	15-25	40.7
	26-35	34.5
	36-50	17.7
	51-60	5.0
	61 and above	2.1
Education	No education	3.1
	Basic	15.8
	Secondary	33.7
	University	38.7
	Postgraduate	6.1
	Others	2.6
Number of Children	None	1.4
	1-2	29.6
	3-5	36.6
	6-7	13.2
	8 and above	19.1
Occupation	Formal Sector	10.3
	Private Sector	16.4
	Informal Sector	8.3
	Public Sector	26.7
	Student	30.3
	Unemployed	8.0

## 4.2 Changes in Costs of Living

The results of the survey reveal that 79.6 percent of the respondents believe that the cost of living in Ghana has increased over the last three years whereas 14.7 percent of them assert that the living cost has not changed. The remaining 5.7 percent opine that the cost of living has decreased between 2009 and 2013 (Table 4).

The perception about increased cost of living is however not the same across the regions. The results in Table 4 further depict that the perception about the increase in the cost of living as a result of the oil production is highest in the Brong Ahafo (89.5%), Ashanti (83.2%) and Greater Accra (80.6%) regions whose perception are above the nationwide average. This finding can be explained by the economic importance of these regions. Further, national capitals worldwide are usually associated with higher living costs than other cities in the country. It is therefore not surprising that Accra (in the Greater Accra Region) is associated with higher cost of living after the production of oil in Ghana.

The perception that there are increases in the cost of living was found to be lower in the Upper East (67.8 percent) and the Upper West (71.4 percent) regions in this study. This could be an indicator that despite the fact that living costs are increasing, the rate is perhaps slower in these regions than in the rest of the country.

Taking the number of children respondents had into account, it was evident that a large proportion (87.9%) of the respondents with *no* children was of the view that there had been an increase in the costs of living. The proportion of respondents with no children who had the perception that cost of living had gone up is higher than that of those with children as shown in Table 4. The prior assumption of the research team was that the percentages of the respondents would increase proportionally to the increasing number of children. This finding is therefore counter-intuitive because larger households are supposed to feel the impacts of increased cost of living as compared to smaller household.

		Increased	Unchanged	Decreased
<b>Nationwide</b>		79.6	14.7	5.7
<b>Region</b>	Ashanti Region	83.2	8.7	8.1
	Brong Ahafo Region	89.5	6.9	3.6
	Central Region	72.5	17	10.5
	Eastern Region	71.7	25.5	2.8
	Northern Region	77.8	14.8	5.1
	Upper East Region	67.8	28	4.2
	Upper West Region	71.4	26	2.6
	Volta Region	78.7	14.2	7.1
	Western Region	75.6	20.2	4.2
	Greater Accra	80.6	14.8	4.2
<b>Sex</b>	Female	80.7	13.4	5.9
	Male	78.9	15.4	5.7
<b>Age</b>	15-25	80.8	13.3	5.9

	26-35	77.4	17.4	5.2
	36-50	82.1	12.4	5.5
	51-60	77.2	15.4	7.3
	61 & above	78	12	10
<b>Level Education</b>	No school	75.3	13	11.7
	Basic-JSS/JHS	81.6	16	2.4
	Secondary Education	78	15.8	6.2
	University	82	13.3	4.8
	Post-Graduate	76.3	12.9	10.8
	Other	66.7	19	14.3
<b>Number of Children</b>	No children	87.9	9.1	3
	1-2	81.9	13.5	4.6
	3-5	81.2	13	5.8
	6-7	70.4	21.1	8.6
	8 & above	78.2	16.3	5.4
<b>Occupation</b>	Formal Private Sector	79.4	17.1	3.5
	Public Sector	82.5	13.6	4
	Informal Sector	76.2	9.4	14.4
	Student	79.1	14.2	6.6
	Unemployed	67	23.9	9.1

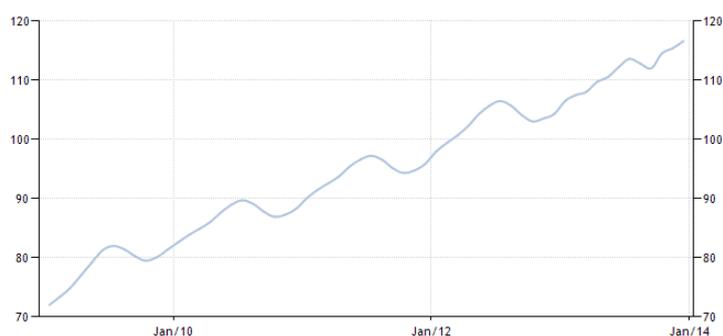
The sector of employment also has impact on the perception of the cost of living. Majority (82.5%) of those in the public sector perceive that cost of living has increased between 2009 and 2013 compared to workers in the formal private (79.4%) and informal (76.2%) sectors (Table 4). This could be as a result of wage rigidity in the public sector of Ghana which has resulted in most of them opining that the cost of living has gone up. Most of the working population (irrespective of sector of employment) perceives that the cost of living has gone up due to their inability to meet the perceived lifestyle of the working population in other countries which is usually characterized with wealth.

### 4.3 Changing Prices of Goods and Services

In order to get a clearer picture of price increments, the survey aimed to highlight changes in prices of six (6) groceries between the years 2009 and 2013 – These were: a loaf of bread, a bowl of tomatoes, a cup of rice, a bowl of onions, a cup of sugar and one pineapple. One critical point of this research method is that the research team had to rely on the good memory of the respondents. The field assistants even reported that some respondents validated their answers with other people surrounding them while going through the questionnaire. The research team chose the common groceries used by respondents daily so there was ease in remembering prices.

#### General Findings

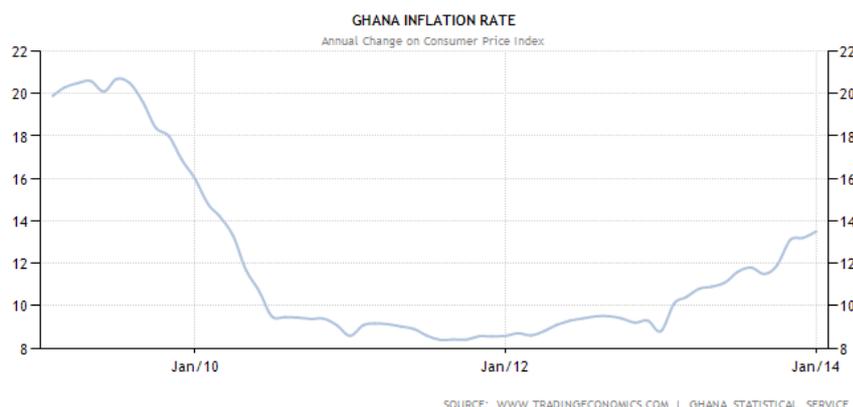
1. Most of the prices for groceries nationwide (except rice) at least doubled in the last three to four years. This correlates with the *consumer price index* of Ghana which shows significant price increments over the last four years.



**Figure 3: Consumer-Price Index Ghana 2009-2014**

Source: Trading Economics, <http://de.tradingeconomics.com/ghana/consumer-price-index-cpi>

2. The comparison of the continuous price increment and inflation rate highlights that despite the reduction in the rate of inflation consumers perception about price increases was very high.
3. Prices for the groceries in Western Region increased more compared to the national average – except sugar.
4. Moderate or lower price increments in the three Northern Regions compared to the Southern Regions and the national average.



**Figure 4: Inflation Rate Ghana 2009 – 2014**

Source: Trading Economics 2014, <http://www.tradingeconomics.com/ghana/inflation-cpi>

### *Findings for each grocery*

- 1. Loaf of Bread (Average national price increase: 119%)**  
Greater Accra Region is perceived to have experienced the highest price increment of 171.4 percent and this was followed by the Western (122.1%), Eastern (116.8%), Central (116.3%) and Ashanti (115.2%) Regions respectively. The rate of increase in the price of a loaf of bread was lowest in the Volta Region (24.5%).
- 2. Bowl of Tomatoes (Average national price increase: 121.5%)**  
The highest price increase in a bowl of tomatoes occurred in the Western Region (141.7%) which was followed by Ashanti (138%), Central (130.1%) and Greater Accra Regions respectively whereas the lowest increment was in the Volta Region (41.5%).
- 3. Cup of Rice (Average national price increase: 91.1%)**  
Western Region experienced the highest increment in the price of a cup of rice of

156 percent between 2009 and 2013. The rates of increase in the other regions are; Upper West - 153.2 percent; Upper East - 145.3 percent; Central - 111.6 percent and Northern Region - 106.7 percent. The extraordinary high increment in the two northern regions can be explained by the increased transport costs since most of the rice consumed in Ghana is imported (harbor in the South, Tema).

**4. Bowl of Onions (Average national price increase: 115.1%)**

The highest rates of increase in the price of onions were experienced in the Ashanti (162.7%), Central (148%) and Western (140.9 %) Regions between 2009 and 2013. The Volta region however experienced the lowest rate of price increase in the same commodity of 24.percent

**5. Cup of Sugar (Average national price increase: 109.3%)**

Between 2009 and 2013, Eastern Region witnessed the highest rate of increase in the price of sugar at 219 percent. This was followed by Greater Accra (179.1 %), Central (118.5%) and the Upper West (109.7%) Regions. Volta Region experienced the lowest rate of increase in the price of sugar at 25.2 percent.

**6. One Pineapple (Average national price increase: 100%)**

Ashanti region recorded the highest rate of increase in the price of pineapple at 115.2 percent. Western Region followed at 110.7 percent and then Central (106.9%) and Brong Ahafo (104.3%) Regions. Moderate rate of increase in the price of pineapple was witnessed in the Volta (30.8%) and Eastern (46.6%) Regions.

These findings indicate that on the average there were increases in the prices of most staples in the country between 2009 and 2013. The rates of increase were however higher in the regions with economic importance; namely Ashanti, Western and Greater Accra Regions. Another contributing factor to the increase in prices in these regions is the fact that Accra, Takoradi and Kumasi are the most preferred places (cities) for expatriates in Ghana and hence increased demand spontaneously set in motion increased prices. Besides, some of these regions are well known for their extractive industries, such as oil and gold, and are the economic hubs where there is focus on the import and export of products. The highest concentration of capital investments can be found in these regions. It is also evident that these regions also developed the most in the last three to four years with regard to establishments of companies and infrastructure.

Moreover, a general urbanization continues to take place in these regions. The in-migration causes a higher demand for products. On the supply side the prices may also have increased due to the desire to make more revenue by sellers.

**Table 5: Changes in the Prices of Goods and Services - Bread**

 <b>LOAF of BREAD</b>		<b>Average Price 2009 (GHC)<sup>3</sup></b>	<b>Average Price 2013 (GHC)<sup>4</sup></b>	<b>Increment between 2009 and 2013 in % (average)</b>
<b>Nationwide</b>		<b>1.05 GHC</b>	<b>2.30 GHC</b>	<b>119 %</b>
<b>Region</b>	Ashanti Region	1.12	2.41	115.2 %
	Brong Ahafo Region	1.10	2.17	97.3 %
	Central Region	0.92	1.99	116.3 %
	Eastern Region	0.95	2.06	116.8 %
	Northern Region	0.73	1.29	76.7 %
	Upper East Region	0.93	1.72	84.9 %
	Upper West Region	1.09	2.18	100 %
	Volta Region	3.75	4.67	24.5 %
	Western Region	1.04	2.31	122.1 %
	Greater Accra	1.12	3.04	171.4 %
<b>Sex</b>	Female	1.07	2.25	
	Male	1.03	2.31	
<b>Level Education</b>	No school	0.80	1.68	
	Basic-JSS/JHS	0.97	2.97	
	Secondary Education	1.10	2.09	
	University	1.10	2.31	
	Post-Graduate	0.92	1.93	
	Other	0.86	1.94	
<b>Number of Children</b>	No children	0.88	1.75	
	1-2	1.08	2.27	
	3-5	1.04	2.48	
	6-7	0.92	1.83	
	8 & above	1.10	2.08	
<b>Occupation</b>	Formal Private Sector	1.07	2.31	
	Public Sector	1.10	2.76	
	Informal Sector	0.93	2.15	
	Student	1.06	2.01	
	Unemployed	0.89	2.21	

<sup>3</sup> Average price according to all respondents nationwide or regionally

<sup>4</sup> Average price according to all respondents nationwide or regionally

**Table 6: Changes in the Prices for Goods and Services - Tomatoes**

 <b>BOWL of TOMATOES</b>		Average Price 2009 (GHC) <sup>5</sup>	Average Price 2013 (GHC) <sup>6</sup>	Increment between 2009 and 2013 in % (average)
<b>Nationwide</b>		<b>2.75 GHC</b>	<b>6.09 GHC</b>	<b>121.5 %</b>
<b>Region</b>	Ashanti Region	2.76	6.57	138 %
	Brong Ahafo Region	2.84	5.44	91.5 %
	Central Region	2.69	6.19	130.1 %
	Eastern Region	2.55	5.44	113.3 %
	Northern Region	1.97	4.05	105.6 %
	Upper East Region	3.22	5.04	56.5 %
	Upper West Region	2.53	5.40	113.4 %
	Volta Region	6.36	9	41.5 %
	Western Region	3.31	8	141.7 %
	Greater Accra	3.18	6.88	116.4 %
<b>Sex</b>	Female	2.74	6.33	
	Male	2.71	5.82	
<b>Level Education</b>	No school	2.55	5.84	
	Basic-JSS/JHS	2.60	5.35	
	Secondary Education	2.64	5.14	
	University	2.99	6.94	
	Post-Graduate	2.81	6.46	
	Other	1.96	5.04	
<b>Number of Children</b>	No children	1.72	3.72	
	1-2	2.64	6.53	
	3-5	2.70	5.65	
	6-7	3.12	5.89	
	8 & above	2.62	6.14	
<b>Occupation</b>	Formal Private Sector	2.82	5.95	
	Public Sector	2.83	6.43	
	Informal Sector	2.44	5.26	
	Student	2.72	5.42	
	Unemployed	2.44	7.84	

<sup>5</sup> Average price according to all respondents nationwide or regionally

<sup>6</sup> Average price according to all respondents nationwide or regionally

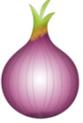
**Table 7: Changes in the Prices of Goods and Services - Rice**

 <b>CUP of RICE</b>		Average Price 2009 (GHC) <sup>7</sup>	Average Price 2013 (GHC) <sup>8</sup>	Increment between 2009 and 2013 in % (average)
<b>Nationwide</b>		<b>1.23 GHC</b>	<b>2.35 GHC</b>	<b>91.1 %</b>
<b>Region</b>	Ashanti Region	1.02	1.96	92.2 %
	Brong Ahafo Region	1.18	2.09	77.1 %
	Central Region	1.12	2.37	111.6 %
	Eastern Region	1	2.56	156 %
	Northern Region	1.19	2.46	106.7 %
	Upper East Region	1.39	3.41	145.3 %
	Upper West Region	1.11	2.81	153.2 %
	Volta Region	3.76	4.56	21.3 %
	Western Region	1	1.94	94 %
	Greater Accra	1.64	2.67	62.8 %
<b>Sex</b>	Female	1.09	2.17	
	Male	1.36	2.52	
<b>Level Education</b>	No school	0.98	3.72	
	Basic-JSS/JHS	1.94	2.05	
	Secondary Education	1.11	2.04	
	University	1.08	2.32	
	Post-Graduate	1.06	2.41	
	Other	1.07	2.06	
<b>Number of Children</b>	No children	1.09	2	
	1-2	1.08	2.03	
	3-5	1.51	2.62	
	6-7	1.09	2.42	
	8 & above	1.11	2.40	
<b>Occupation</b>	Formal Private Sector	1.08	2.08	
	Public Sector	1.63	2.98	
	Informal Sector	0.95	1.93	
	Student	1.11	2.11	
	Unemployed	1.10	2.55	

<sup>7</sup> Average price according to all respondents nationwide or regionally

<sup>8</sup> Average price according to all respondents nationwide or regionally

**Table 8: Changes in the Prices of Goods and Services - Onions**

 <b>BOWL of ONIONS</b>		Average Price 2009 (GHC) <sup>9</sup>	Average Price 2013 (GHC) <sup>10</sup>	Increment between 2009 and 2013 in % (average)
<b>Nationwide</b>		<b>2.91 GHC</b>	<b>6.26 GHC</b>	<b>115.1 %</b>
<b>Region</b>	Ashanti Region	3.62	9.51	162.7 %
	Brong Ahafo Region	2.97	5.16	73.7 %
	Central Region	2.46	6.10	148 %
	Eastern Region	2.62	5.42	106.9 %
	Northern Region	2.27	4.50	98.2 %
	Upper East Region	2.86	5.90	106.3 %
	Upper West Region	2.80	5.57	99 %
	Volta Region	6.65	8.29	24.7 %
	Western Region	3.30	7.95	140.9 %
	Greater Accra	2.88	4.92	70.8 %
<b>Sex</b>	Female	2.77	6.13	
	Male	3.03	6.46	
<b>Level Education</b>	No school	2.80	5.05	
	Basic-JSS/JHS	2.54	5.10	
	Secondary Education	2.97	6.38	
	University	3.14	6.96	
	Post-Graduate	2.67	6.24	
	Other	2.15	4.61	
<b>Number of Children</b>	No children	1.97	3.72	
	1-2	2.65	5.86	
	3-5	2.90	6.69	
	6-7	2.97	5.83	
	8 & above	3.11	6.33	
<b>Occupation</b>	Formal Private Sector	2.79	5.36	
	Public Sector	2.89	6.55	
	Informal Sector	2.39	4.74	
	Student	3.25	7.36	
	Unemployed	2.47	5.22	

<sup>9</sup> Average price according to all respondents nationwide or regionally

<sup>10</sup> Average price according to all respondents nationwide or regionally

**Table 9: Changes in the Prices of Goods and Services - Sugar**

 <b>CUP of SUGAR</b>		Average Price 2009 (GHC) <sup>11</sup>	Average Price 2013 (GHC) <sup>12</sup>	Increment between 2009 and 2013 in % (average)
<b>Nationwide</b>		<b>0.97 GHC</b>	<b>2.03 GHC</b>	<b>109.3 %</b>
<b>Region</b>	Ashanti Region	0.78	1.39	78.2 %
	Brong Ahafo Region	0.80	1.48	85 %
	Central Region	0.92	2.01	118.5 %
	Eastern Region	0.84	2.68	219 %
	Northern Region	1.73	3.29	90.2 %
	Upper East Region	1.87	3.39	81.3 %
	Upper West Region	1.24	2.60	109.7 %
	Volta Region	2.98	3.73	25.2 %
	Western Region	0.78	1.38	76.9 %
	Greater Accra	0.86	2.40	179.1 %
<b>Sex</b>	Female	0.87	1.91	
	Male	1.05	2.11	
<b>Level Education</b>	No school	0.97	1.79	
	Basic-JSS/JHS	0.89	2.50	
	Secondary Education	0.99	2.05	
	University	0.96	1.88	
	Post-Graduate	0.84	1.86	
	Other	1.21	1.88	
<b>Number of Children</b>	No children	0.88	1.41	
	1-2	0.85	1.64	
	3-5	0.95	2.32	
	6-7	1.25	2.73	
	8 & above	1.08	1.96	
<b>Occupation</b>	Formal Private Sector	0.96	1.57	
	Public Sector	0.92	2.49	
	Informal Sector	0.82	1.60	
	Student	0.99	1.99	
	Unemployed	1.12	2.37	

<sup>11</sup> Average price according to all respondents nationwide or regionally

<sup>12</sup> Average price according to all respondents nationwide or regionally

**Table 10: Changes in the Prices of Goods and Services - Pineapple**

 <b>One PINEAPPLE</b>		Average Price 2009 (GHC) <sup>13</sup>	Average Price 2013 (GHC) <sup>14</sup>	Increment between 2009 and 2013 in % (average)
<b>Nationwide</b>		<b>1 GHC</b>	<b>2 GHC</b>	<b>100 %</b>
<b>Region</b>	Ashanti Region	0.99	2.13	115.2 %
	Brong Ahafo Region	1.15	2.35	104.3 %
	Central Region	0.87	1.80	106.9 %
	Eastern Region	1.18	1.73	46.6 %
	Northern Region	1.25	2.48	98.4 %
	Upper East Region	1.66	2.84	71.1 %
	Upper West Region	1.32	2.30	74.2 %
	Volta Region	3.41	4.46	30.8 %
	Western Region	0.84	1.77	110.7 %
	Greater Accra	0.83	1.69	103.6 %
<b>Sex</b>	Female	0.98	2.01	
	Male	1.01	2.02	
<b>Level Education</b>	No school	0.96	1.95	
	Basic-JSS/JHS	1	2.08	
	Secondary Education	0.99	1.96	
	University	1.01	2.05	
	Post-Graduate	0.98	1.98	
	Other	0.93	2.17	
<b>Number of Children</b>	No children	1.01	2.33	
	1-2	0.95	1.84	
	3-5	0.99	2.07	
	6-7	1.04	2.02	
	8 & above	1.02	2.15	
<b>Occupation</b>	Formal Private Sector	0.97	1.90	
	Public Sector	1.01	2.05	
	Informal Sector	0.90	1.99	
	Student	1.02	2.04	
	Unemployed	1.16	2.20	

<sup>13</sup> Average price according to all respondents nationwide or regionally

<sup>14</sup> Average price according to all respondents nationwide or regionally

#### **4.4 Changes in Prices of Ancillary Rental Costs**

The study also sought to assess the price disparities in ancillary rental costs, such as electricity and water. Since the prices of public utilities in Ghana are determined by the Public Utilities Regulatory Commission (PURC), the study however did not anticipate any significant regional disparities in changes in the price of utilities between 2009 and 2013.

Ghana has had major problems with the constant supply of electricity. Even though different power plants and a new hydropower dam, the Bui Dam, in the Brong Ahafo Region have been connected to the national grid, the demand for electricity still largely outstrips the national supply. Beside, during the 2012 World Cup Tournament, Ghana had to purchase electricity from neighboring countries to meet up with the very high demand during the tournament. Furthermore, the grid system is not sufficient enough and maintained enough to deliver the electricity to all household.

Due to the inability to meet the total demand, Ghana introduced load shedding schedules years ago, where the schedules are announced in the newspapers to make the population aware of the power cuts notwithstanding the unannounced power failures. Such erratic power cuts have negatively affected the economy in several ways. Cost of production has increased leading profit losses thereby causing several businesses to fold-up. The health and education sectors have equally been affected.

Public utilities in Ghana, especially electricity and water, are highly subsidized by the state. However, due to the macroeconomic challenges of the nation the state has been consistently reducing such subsidies. As a result, prices of public utilities have been increasing over the years and the PURC is solely responsible for any changes in the price of utilities in Ghana. It is worth noting that the price of each utility is the same in across the country and hence any rate of change in the price is supposed to have the same effect.

The data of the survey was analyzed before the massive increment of utility prices in 2013. Consequently, the statistics do not include this increment, but show clearly that the respondents in some of the regions have spent more money on water and electricity over the last years compared to others. But before highlighting price increments, we wanted to ask about the availability of electricity and how often the respondents have experienced electricity cuts.

<b>Table 11: Electricity at Home and Electricity Cuts (%)</b>										
		Do you have electricity at home?		How often do you experience electricity cuts?						
		Yes	No	Every day	2/3 times a week	4/5 times a week	Once a week	2/3 times a months	Once a month	never
<b>Nationwide</b>		92.8	7.2	33.3	34.3	12	12.2	4.4	1.6	2.1
<b>Region</b>	Ashanti Region	98.6	1.4	72.1	13.2	8.4	1.6	2.3	1.4	0.9
	Brong Ahafo Region	92.3	7.7	29.3	23.6	14.5	21.9	6.6	1.2	2.9
	Central Region	91.7	8.3	14.6	40.2	17.6	23.1	3	1	0.5
	Eastern Region	89.9	10.1	17.6	47.9	5.9	24.4	3.4	0.8	0
	Northern Region	89	11	23.7	35.1	11.4	19.6	5.7	2	2.4
	Upper East Region	65.3	34.7	5.2	51	12.5	5.2	14.6	4.2	7.3
	Upper West Region	81.1	18.9	4.2	26.6	5.6	45.1	4.2	0	4.2
	Volta Region	94.7	5.3	11.5	38.9	9.6	18.3	9.1	6.7	5.8
	Western Region	96.5	3.5	28.8	45.1	15.2	7.4	3.1	0	0.4
Greater Accra	95	5	28.9	46.1	14.3	5	2.8	0.8	2.2	
<b>Sex</b>	Female	92.3	7.7	No significant difference to nationwide results						
	Male	92.8	7.2							
<b>Number of Children</b>	No children	94.1	5.9	14.7	41.2	14.7	14.7	8.8	2.9	2.9
	1-2	93.2	6.8	31.9	37.7	11.5	11.9	5.1	1.5	0.4
	3-5	94.2	5.8	32.7	31.9	14.3	14.2	4.1	1.5	1.3
	6-7	89.8	10.2	33.2	35.3	11.2	10.2	5.1	0.7	4.4
	8 & above	89.7	10.3	38.7	34.6	7.4	8.8	3	3.2	4.2
<b>Occupation</b>	Formal Private Sector	96	4	32.4	42.3	10.6	8.4	3.7	1.5	1.2
	Public Sector	94.9	5.1	31.1	38.1	10.3	14.5	3.6	1.5	0.9
	Informal Sector	91	9	36.2	20.4	13.3	18.4	8.2	1.5	2
	Student	92.2	7.8	40.4	29	11.9	9.7	4.1	1.4	3.5
	Unemployed	79	21	24.9	37.6	11.6	10.5	6	5	4.4

The survey revealed that 92.8% of the respondents nationwide were connected to the national grid. As indicated beforehand, the economically important regions like Ashanti (98.6%), Western (96.5%) and Greater Accra (95%) regions proved to have the highest electricity coverage in the country, whereas the Upper East (65.3%) and the Upper West (81.1%) Regions had the lowest coverage. Similarly, the proportion of unemployed who have electricity in their homes is less than that of other categories of workers and students (Table 11).

Some respondents (33.3%) nationwide experience power cuts everyday whereas 34.3% have power cuts twice or trice in a week. 1.6% of the respondents experience power cuts once in a month and 2.1% attested of having no power cuts. Daily power cuts is more frequent in the Ashanti Region (72.1%) relative to the other regions but it is less frequent in the Upper West (4.2%) and Upper East (5.2%) Regions. Volta Region has the highest proportion (6.7%) of once in a month power cuts whereas Upper East Region has the largest proportion (7.3%) of no power cuts during the period under study (Table 11). The frequent power cuts can be explained by the inadequate supply of electricity as well as the inefficiencies in the distribution process.

The changes in the price of electricity (Table 14) can be ascribed to the inconsistency in the provision of subsidies by the government. The study also found that the rate of increases in the price of electricity has not been uniform across the regions. Whereas the price of electricity increased in some regions, it reduced in other regions. The highest increments can be documented in the Western Region where the price of electricity increased by 146.5% between 2009 and 2013. Other regions that experienced increase in electricity prices include Eastern (138.9%), Ashanti (120%), Central (113.7%) and Brong Ahafo (110.9%) Regions. The remaining regions experienced declines in the prices of electricity with the Northern Region recording the highest rate of reduction at 63.7 percent. The decline can be explained with the persisting power cuts in those areas (see Table 11).

Concerning water supply, the study focused on the presence of tap water at respondents' place of residence. Just a little over half (52.6%) of the respondents nationwide had tap water connected to their home. This means that the supply of affordable clean water to the citizens of Ghana is very low. It is however worth noting that some communities or households depend on other sources of clean water. Some of these sources include boreholes and rainwater. Problems of water supply and sanitation have been a longstanding issue in the developmental debate of the country and this could explain the perennial outbreak of water borne diseases in the country. Just as it is with electricity, the supply of tap water is not evenly distributed across the ten regions. Central Region (76.6%) has the highest number of respondents with tap water in their homes whilst the least was recorded in the Upper West Region (24.3%). It is surprising to note that more than half of the respondents in the Greater Accra Region (52.5%) do not have tap water in their homes (Table 12). Through the migration of workforce from the rural to the urban areas and from the North to the South, Greater Accra as the economic hub and capital has experienced an immense in-migration over the last decades. This in-migration has not been coordinated as well as the infrastructure was not sufficient enough to cater for all people. Migrants have set up shelters in an uncoordinated way so that water supply and electricity supply could not be made available.

Whereas 58.8 percent of the total respondents with no children have tap water in their homes only 39.4 percent of the respondents with more than seven children have tap water.

The study also found that 59.8 percent and 51.3 percent of public sector and formal private sector workers respectively have tap water in their homes. It is evident from Table 12 that the proportion of the respondents in the formal private sector, public sector and students who have tap water in their homes is higher than that of those in the informal sector (43 %) and unemployed (38.9 %).

Due to the inadequacy, there are intermittent cuts in the supply of water to households and businesses. Overall, 15.8 percent of the total respondents nationwide experience water shortages every day whereas 32.4 percent experience it twice or thrice in a week. Upper West Region which has the least tap water penetration recorded the highest proportion of daily water shortage at 27.7 percent which was followed by Greater Accra (24.5%) and Ashanti (22.5%) regions. In all, 15.3 percent of the respondents had never experienced water shortage between 2009 and 2013. Most of these respondents are in the Volta and Ashanti regions where 31.6 percent and 29.4 percent of the respondents had never experienced water shortage.

According to Table 13, the nationwide average price for water declined by 6.8% between 2009 and 2013 even though some regions recorded decrease within that period. The highest increase in the price of tap water was recorded in the Eastern Region at 155.3 percent, which was followed by Central Region (139.6%), Western Region (139.1%) and then Ashanti Region (132.7%) respectively. The regions which recorded decrease in the price of tap water included Brong Ahafo (83.1%), Northern (56.8%) and Volta (18.9%) regions. The reduction in the prices of tap water in these regions could be due to the desire to encourage the use of clean water in order to help reduce the incidence of guinea worm infestation. The reduction of the stated costs of water can be also explained by the fact that the water supply has not been constant.

Table 12: Tap Water at Home and Water Shortage (%)										
		Do you have tap water at home?		How often do you experience tap water shortages?						
		Yes	No	Every day	2/3 times a week	4/5 times a week	Once a week	2/3 times a months	Once a month	never
<b>Nationwide</b>		52.6	47.4	15.8	32.4	10.4	13.5	6.8	5.8	15.3
<b>Region</b>	Ashanti Region	55.3	44.7	22.5	26.8	8.9	6	2	4.4	29.4
	Brong Ahafo Region	40	60	4.6	24.5	10.2	31.5	4.6	6	18.5
	Central Region	76.6	23.4	7.2	26.2	11.8	21.5	14.4	13.8	5.1
	Eastern Region	64.4	35.6	7.9	27.2	3.5	30.7	13.2	7.9	9.6
	Northern Region	48.3	51.7	10	46.2	8.6	15.4	8.6	8.6	7.2
	Upper East Region	41.9	58.1	6.5	46.8	20.8	3.9	0	3.9	18.2
	Upper West Region	24.3	75.7	27.7	25.5	17	10.6	0	4.3	14.9
	Volta Region	46.8	53.2	5.9	24.1	6.4	16	9.6	6.4	31.6
	Western Region	67.1	32.9	20.5	36.1	7.8	10.2	11.9	4.9	8.6
<b>Sex</b>	Greater Accra	47.5	52.5	24.5	39.7	14.9	6.9	5	4.8	4.1
	Female	57.9	42.1	17.6	32.6	12.8	12.9	5.3	5.5	13
<b>Number of Children</b>	Male	48.5	51.5	14.1	31.6	8.8	14.5	8	5.8	17.4
	No children	58.8	41.2	6.3	34.4	6.3	25	12.5	12.5	3.1
	1-2	47.9	52.1	14.4	32.3	11	17	8.3	6.7	10.2
	3-5	54.2	45.8	16.2	31.4	10.5	13.1	7.2	5.4	16.3
	6-7	52.9	47.1	16.3	26.4	5.7	14	3.8	6.1	17.8
<b>Occupation</b>	8 & above	39.4	60.6	17.4	32.7	11	6.4	4.3	4	24.1
	Formal Private Sector	51.3	48.7	17.6	33.8	12.4	10.1	6.4	5.8	13.9
	Public Sector	59.8	40.2	12.2	32.4	6.1	18.2	10.7	9.1	11.2
	Informal Sector	43	57	12.4	22.4	16.1	12.4	5	3.1	28.6
	Student	51.4	48.6	20.9	31.9	11.4	10.7	3.7	3.7	17.7
	Unemployed	38.9	61.1	14.5	41.4	5.5	6.9	3.4	5.5	22.8

**Table 13: Changes in Prices of Goods and Services - Water**

 <b>WATER</b>		Average Price 2009 (GHC) <sup>15</sup>	Average Price 2013 (GHC) <sup>16</sup>	Increment between 2009 and 2013 in % (average)
<b>Nationwide</b>		<b>25.04 GHC</b>	<b>23.33 GHC</b>	<b>-6.8 %</b>
<b>Region</b>	Ashanti Region	11.12	25.88	132.7 %
	Brong Ahafo Region	69.50	11.77	-83.1 %
	Central Region	5.51	13.19	139.6 %
	Eastern Region	5.57	14.22	155.3 %
	Northern Region	51.78	22.39	-56.8 %
	Upper East Region	19.42	27.28	40.5 %
	Upper West Region	11.92	16.83	41.2 %
	Volta Region	52.97	42.98	-18.9 %
	Western Region	4.63	11.07	139.1 %
	Greater Accra	37.28	40.20	7.8 %
<b>Sex</b>	Female	18.62	23.06	
	Male	30.92	21.30	
<b>Level Education</b>	No school	5.83	12.58	
	Basic-JSS/JHS	17.60	24.55	
	Secondary Education	25.83	24.67	
	University	31.31	23.29	
	Post-Graduate	10.91	15.17	
	Other	16.39	26.91	
<b>Number of Children</b>	No children	16.92	15.71	
	1-2	17.21	22.99	
	3-5	39.28	22.77	
	6-7	12.68	18.56	
	8 & above	24.38	25.81	
<b>Occupation</b>	Formal Private Sector	14.65	23.32	
	Public Sector	35.91	16.94	
	Informal Sector	23.34	19.26	
	Student	20.62	33.32	
	Unemployed	40.08	23.96	

<sup>15</sup> Average price according to all respondents nationwide or regionally

<sup>16</sup> Average price according to all respondents nationwide or regionally

**Table 14: Changes in Prices of Goods and Services - Electricity**

 <b>ELECTRICITY</b>		<b>Average Price 2009 (GHC)<sup>17</sup></b>	<b>Average Price 2013 (GHC)<sup>18</sup></b>	<b>Increment between 2009 and 2013 in % (average)</b>
<b>Nationwide</b>		<b>13.83 GHC</b>	<b>21.34 GHC</b>	<b>54.3 %</b>
<b>Region</b>	Ashanti Region	18.62	40.97	120 %
	Brong Ahafo Region	9.73	20.52	110.9 %
	Central Region	10.03	21.74	113.7 %
	Eastern Region	9.63	23.01	138.9 %
	Northern Region	13.60	4.94	-63.7 %
	Upper East Region	9.64	4.41	-54.3 %
	Upper West Region	11.37	9.98	-12.2 %
	Volta Region	13.89	13.24	-4.7 %
	Western Region	7.70	18.98	146.5 %
	Greater Accra	20.10	17.78	-11.5 %
<b>Sex</b>	Female	14.81	24.32	
	Male	12.20	18.43	
<b>Level Education</b>	No school	10.37	20.55	
	Basic-JSS/JHS	11.99	20.85	
	Secondary Education	14.89	18.23	
	University	14.88	25.43	
	Post-Graduate	11.05	17.37	
	Other	9.29	11.65	
<b>Number of Children</b>	No children	8.76	3.10	
	1-2	13.38	19.98	
	3-5	13.85	23.32	
	6-7	11.30	22.84	
	8 & above	17.03	21.21	
<b>Occupation</b>	Formal Private Sector	12.52	20.51	
	Public Sector	10.81	19.33	
	Informal Sector	9.77	18.12	
	Student	19.64	25.80	
	Unemployed	12.40	18.20	

<sup>17</sup> Average price according to all respondents nationwide or regionally

<sup>18</sup> Average price according to all respondents nationwide or regionally

## 4.5 Current Housing Situation

The study further looked at the housing conditions of the respondents. The results show that, at the national level, a total of 50.9% of the respondents do not pay rent (Table 15). This is due to the fact that some of them live in family houses (34.9%) whereas the rest own the houses they live in (16%). This implies that about half of the people nationwide may not have the pressure of spending a big portion of their income on rent, but that does not include the question of whether the respondents have to pay back a mortgage for their houses or raise money for maintaining buildings.

**Table 15: What is your current housing situation? (%)**

		Family House (no rent)	House, flat or room for rent	Own house (no rent)	Other
<b>Nationwide</b>		34.9	43.9	16	5.2
<b>Region</b>	Ashanti Region	31.5	44.4	19.9	4.1
	Brong Ahafo Region	23.2	50	21.7	5.1
	Central Region	20.8	53.3	11.7	14.2
	Eastern Region	24.4	39.8	22.8	13
	Northern Region	57.6	26.8	10	5.6
	Upper East Region	75.7	16.5	7.8	0
	Upper West Region	58.1	25.7	13.5	2.7
	Volta Region	30.9	48	15.7	5.4
	Western Region	20.3	63.7	10.8	5.2
	Greater Accra	37.5	43.4	16.7	2.4
<b>Sex</b>	Female	32.8	41.8	4.8	4.8
	Male	36.8	45	12.7	5.5
<b>Age</b>	15-25	47.2	30.7	18.2	4
	26-35	26.3	56.6	10	7
	36-50	26.7	53.4	15.5	4.5
	51-60	27	43.7	23	6.3
	61 & above	26.4	20.8	52.8	0
<b>Level Education</b>	No school	35.9	44.9	19.2	0
	Basic-JSS/JHS	39.7	41.5	15.5	3.4
	Secondary Education	44	34.8	17.9	3.3
	University	25.4	52.8	14.3	7.6
	Post-Graduate	30.3	47.4	13.8	8.6
	Other	35.4	40	16.9	7.7
<b>Number of Children</b>	No children	38.2	44.1	11.8	0.3
	1-2	28.3	55.5	12.5	3.6
	3-5	33.7	41.9	18.3	6.2
	6-7	41.1	37.8	17.8	3.3
	8 & above	45.2	32.1	17.9	4.8
<b>Occupation</b>	Formal Private Sector	30.8	48.3	17.2	3.7
	Public Sector	24.3	55.7	12.1	7.9
	Informal Sector	34.5	48.3	14.3	3
	Student	45.5	29.6	20.7	4.1
	Unemployed	48.2	36.2	12.6	3

The proportion of people who live in family houses is highest in the Upper East (75.7%) and Upper West (58.1%) regions but least in the Central Region (20.8%). Eastern Region recorded the largest proportion of landlords (those who own a house) whereas Western Region has the highest fraction of people living in rented apartments/rooms (Table 15). The very high proportion of rented apartments in the Western Region could be due to the oil find which now serves as a pull factor in attracting migration into the region. Such migration is usually associated with renting of dwelling places.

As assumed, half of the respondents between the ages of 15 to 25 years are still living in their family houses. It is clear that most people try to build their own houses when they grow older, as the percentages of those who own a house increases within the age categories. Building own property is attributed to increased wealth which can be bequeathed to the next generations.

The study went further to access the payment terms for those living in rented apartments/rooms. The responses are shown in Table 16. It is no secret that most landlords in Ghana demand some rent prepayments from prospective tenants upfront prior to giving out the property to them. Such prepayments serve as capital investments for the landlords and also help to secure the property to the tenants for a considerable period of time. However, such monies are very difficult to raise since it usually involves savings for a number of months. The results as shown in Table 16 reveal that majority (15.7%) of the tenants prepaid their rent for 19 to 24 months whilst 15.6 percent paid for 7 to 12 months. Those who paid to cover 1 to 6 months make up 13.9 percent of the national respondents.

Majority of the tenants in the Upper West Region (30.6%) paid for 7 to 12 months rents upfront whereas 28 percent and 27.2 percent of tenants in the Eastern and Western Regions respectively paid for 19 to 24 months rents upfront. The study also found most tenants in the Greater Accra Region only pay 1 to 6 months' rent upfront before occupying a rented apartment but in the Ashanti Region majority of the tenants pay for more than 25 months' rent upfront (Table 16).

Paying higher amounts for rent upfront usually implies the most tenants exhaust their savings whereas others also go for loans at high interest rates. Such upfront rent prepayment is one of the contributing factors for the development of slums in the regional capitals since most of the lower class as well as some of the middle class citizens are not able to raise such amounts and are also not prepared to take loans due to the risks involved.

Table 16: How many months does your rent in advance cover? (%)							
		1 to 6 months	7 to 12 months	13 to 18 months	19 to 24 months	Above 25 months	No rent
<b>Nationwide</b>		13.9	15.6	4	15.7	6.1	44.7
<b>Region</b>	Ashanti Region	12.3	11.3	1.6	13.1	15.6	46.1
	Brong Ahafo Region	4	16.5	6	21	6.9	45.6
	Central Region	16.5	20.6	4.6	25.8	3.1	29.4
	Eastern Region	13.6	16.1	1.7	28	2.5	38.1
	Northern Region	9.7	16	2.1	8	1.3	62.9
	Upper East Region	9.6	9.6	1.8	2.6	2.6	73.7
	Upper West Region	8.1	30.6	0	1.6	0	59.7
	Volta Region	11	18	7	20	1.5	42.5
	Western Region	17.1	17.9	8.9	27.2	4.9	24
	Greater Accra	23	15.2	4.1	9.9	3.3	44.4
<b>Sex</b>	Female	15.6	13.3	4.4	13.4	6.5	46.8
	Male	12.6	16.5	3.6	17.5	5.9	43.8
<b>Age</b>	15-25	18	10.7	3.4	6.6	3	58.3
	26-35	11.7	20.5	5.3	22.8	7.8	31.9
	36-50	8.4	17.5	4	23.5	9.8	36.8
	51-60	17.8	15.3	1.7	17.8	8.5	39
	61 & above	9.4	17	1.9	1.9	1.9	67.9
<b>Number of Children</b>	No children	9.4	12.5	6.3	25	3.1	43.8
	1-2	14.9	18.2	4.9	19.6	7	35.4
	3-5	14.7	15.1	3.1	16.9	4.6	45.6
	6-7	13.2	13.9	3.5	15.3	4.2	49.8
	8 & above	12.7	1.7	2.8	7.3	9.4	55
<b>Occupation</b>	Formal Private Sector	17.3	17.3	3.7	11.4	9.3	41
	Public Sector	12.1	18.8	3.4	25.9	6.1	33.7
	Informal Sector	9.1	7.6	9.6	15.7	9.6	48.5
	Student	18.3	10.3	3.2	7.7	3.3	57.7
	Unemployed	13.4	17.6	1.6	9.1	5.3	52.9

## 4.6 Credit and Loans

Credits and loans in Ghana are extremely unattractive due to the high interest rates and the possibility of defaulting. However, some people still contract loans due to the need to undertake certain urgent needs such as school fees, rent and starting business. The study found that only 26.8 percent of the total national respondents had ever contracted a loan for various purposes. This could be due to the immense paper work which needs to be filled out by the bank. The banks are also asking for many securities before approving the loan due to the high demands for repayment. Contracting of loan is more prominent in the Central and Eastern Regions where 43.5 percent and 40.2 percent of the respondents respectively had taken loans whereas it is less common in the Northern (12.5%) and Upper East (15.4%) regions (Table 17).

On the average, more males (29.7%) use credit facilities than their female counterparts (23%). This can be explained by the general risk-averse nature of females in Ghana. Similarly, contracting of loans is more common among public sector workers relative to the other categories of workers. This could be due to two main reasons. First is the low income level of public sector worker which pushes them to supplement their expenditure levels with loans and secondly the constant flow of income which encourages credit institutions to advance loans to workers in the public sector. Also, the use of credit is a common phenomenon among people with higher educational levels (first degree and beyond) compared to those with less than university education.

Those who contract loans do so for various purposes as shown in Table 17. Whereas some use it for investment purposes others use it on consumption. Overall, 9.5 percent of the total respondents use the loans to pay for their rent. This is common in the Western, Volta and Central regions where 15.7 percent, 14.4 percent and 14.1 percent of the respondents respectively use loans to pay for their rents. Using loans to pay for rent is also more prevalent among the 26-35 (13.6%), 36-50 (14.2%) and 51-60 (12.8%) age categories. It is also common among public sector workers where 14.9 percent of the respondents took loans to pay for rent.

Another common use of loan in Ghana is for the purchase electronic devices or home appliances. This trend is common in the Central, Northern and Eastern regions with proportions of 4.2 percent, 2.9 percent and 1.8 percent respectively of the regional respondents. Others also use their loans to vehicles/cars as this is common in the Western (4%) and Eastern (3.6%) regions. More respondents with university degree (2.8%), postgraduate degree (5%) or employees in the public sector (3.4%) took a loan to purchase a car (Table 17).

Other purposes of loans which have been not defined in the questionnaire include payment of kids' school fees, building houses, businesses, weddings and funerals. 12.4 percent of the respondents nationwide were granted loans for any of such purposes and such loans are more common in the Eastern Region (26.8%). Higher percentages of the respondents in the 26-60 years age categories have to pay back loans for such auxiliary purposes. A high percentage of employees in the public sector (22.6%) have been granted loans for such other purposes (Table 17).

Table 17: Do you currently use credit or loans?							
		No	Yes (rent)	Yes (clothes)	Yes (car)	Yes (electronic devices)	Yes (Other)
<b>Nationwide</b>		73.2	9.5	1.4	1.7	1.9	12.4
<b>Region</b>	Ashanti Region	79	6.5	0.7	1.6	1.1	11.1
	Brong Ahafo Region	78.4	9.1	0.4	3	1.7	7.3
	Central Region	56.5	14.1	2.1	1.6	4.2	21.5
	Eastern Region	59.8	6.3	1.8	3.6	1.8	26.8
	Northern Region	87.5	6.3	1.4	1	2.9	0.9
	Upper East Region	84.6	4.3	-	-	-	11.1
	Upper West Region	74.7	9.3	8	-	-	8
	Volta Region	77.8	14.4	3	3	1.2	0.6
	Western Region	60.2	15.7	0.4	4	2	17.7
	Greater Accra	79.4	10.9	1.8	0.2	3	4.7
<b>Sex</b>	Female	77	8.4	1.3	1.6	1.8	9.8
	Male	70.3	9.5	1.6	1.8	1.8	15
<b>Age</b>	15-25	85.5	3.8	1.9	0.5	2.8	5.6
	26-35	68.9	13.6	0.9	1.3	0.9	14.3
	36-50	55.4	14.2	0.9	4.5	1.9	23.1
	51-60	61.5	12.8	1.7	4.3	0	19.7
	61 & above	77.4	5.7	3.8	1.9	0	11.3
<b>Level Education</b>	No school	84.6	6.4	1.3	0	0	7.7
	Basic-JSS/JHS	83	5.9	0.8	0.5	2.4	7.3
	Secondary Education	81	6.7	2.2	0.4	2.7	7
	University	64	13.5	0.5	2.8	1.5	17.6
	Post-Graduate	59.6	7.8	3.5	5	2.1	22
	Other	68.9	6.5	1.6	3.3	0	19.7
<b>Number of Children</b>	No children	84.4	15.6	0	0	0	0
	1-2	69.3	13.5	1.8	1.5	1.6	12.3
	3-5	73	8.9	0.7	2.5	2.5	12.5
	6-7	70	6.6	2.3	1	1	19
	8 & above	77.4	6.7	1.8	0.9	2.3	10.9
<b>Occupation</b>	Formal Private Sector	80.8	9.2	0.5	0.2	2	7.2
	Public Sector	56.6	14.9	1.1	3.4	1.4	22.6
	Informal Sector	87.8	3	0.5	0	0	8.6
	Student	84	4.7	2	0.7	2.8	5.8
	Unemployed	87	8	0.5	1	1.5	2

## 4.7 Income

While looking at changes in price levels, it is also necessary to look at income levels in order to make objective analysis. Table 18 presents the changes in income levels between 2009 and 2013. The study found that the average monthly income levels increased by 66.6% from GHC 307 in 2009 to GHC 511.40 in 2013. Compared to the average price increase of goods and services at 106.5%<sup>19</sup> the increase in income did not correspond to the price increase at the national level. This reiterates the increase in the cost of living in Ghana as asserted by the finding of the study. The gap between the increases in price levels and income levels reinforces the poverty levels in the country since more people cannot live on US\$1 a day and more people cannot afford three-squared nutritious meals in a day.

Upper East, Upper West and Northern Regions experienced the highest increases in income levels where average income levels increased by more than 100 percent between 2009 and 2013. The findings of the survey further show that the increment of income was the lowest in the Ashanti Region where income levels increased by only 40.8 percent.

Like in most developing countries of the world, females in Ghana earn less than their male counterparts with males although both had similar proportionate increment in their average monthly income between 2009 and 2013. As is always the case, people with post-graduate degrees have the highest average incomes in 2013 than the rest of the respondents.

Interestingly, the average increment of income is highest for public sector workers (87.3 %) than others although the increase still lags behind the increments in the prices of goods and services. The highest increase in the income of public sector workers is due to the introduction of the Single Spine Salary Scheme in 2009/2010. The increased incomes is however least among workers in the informal sector (Table 18).

The unemployed also witnessed an increase of 51.1 percent in their average income. It is worth noting that the unemployed still earn some non-labor income. This income includes transfers from friends and relatives both within and outside Ghana, interest and profit from investments as well as savings among many others.

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<sup>19</sup>Average of all national average price increments of seven products in survey

<b>Table 18: Changes in income levels</b>				
<b>INCOME</b>		<b>Average Monthly Income 2009 (GHC)<sup>20</sup></b>	<b>Average Monthly Income 2013 (GHC)<sup>21</sup></b>	<b>Increment between 2009 and 2013 in percent (average)</b>
<b>Nationwide</b>		<b>307 GHC</b>	<b>511.40 GHC</b>	<b>66.6 %</b>
<b>Region</b>	Ashanti Region	334.58	471.12	40.8 %
	Brong Ahafo Region	251.30	437.10	73.9 %
	Central Region	405.18	644.66	59.1 %
	Eastern Region	341.85	631.04	84.6 %
	Northern Region	262.23	527.65	101.2 %
	Upper East Region	123.43	305.93	147.9 %
	Upper West Region	247.05	510.33	106.6 %
	Volta Region	272.42	476.28	74.8 %
	Western Region	303.60	530.71	74.8 %
	Greater Accra	317.82	525.60	65.4 %
<b>Sex</b>	Female	283.35	471.48	66.4%
	Male	325.75	544.58	67.2 %
<b>Level Education</b>	No school	181.77	278.82	53.4 %
	Basic-JSS/JHS	318.35	488.21	53.4 %
	Secondary Education	253.61	363.01	43.1 %
	University	327.01	598.84	83.1 %
	Post-Graduate	486.42	826.17	69.8 %
	Other	228.72	466.10	103.8 %
<b>Number of Children</b>	No children	254.00	517.35	103.7 %
	1-2	322.49	552.65	71.4 %
	3-5	307.28	518.60	68.8 %
	6-7	334.13	524.80	57.1 %
	8 & above	267.03	426.61	59.8 %
<b>Occupation</b>	Formal Private Sector	272.24	481.36	76.8 %
	Public Sector	337.25	631.58	87.3 %
	Informal Sector	269.39	352.89	31 %
	Student	256.33	355.06	38.5 %
	Unemployed	320.21	483.72	51.1 %

<sup>20</sup> Average price according to all respondents nationwide or regionally

<sup>21</sup> Average price according to all respondents nationwide or regionally

## 4.8 Social Security Contribution

The study found that social security contribution is a common phenomenon among Ghanaians. The results reveal that almost all (98.5%) the respondents contribute to either pension or NHIS or both. It is further revealed that 71.1 percent of the respondents nationwide are covered by health insurance. This can be attributed to the Health Insurance Act which makes it mandatory for a citizen of Ghana to belong to at least one health insurance scheme.

The study however found that only 51.9 percent of the respondents nationwide are providing for their retirement by contributing to pension funds. It can be assumed that the citizens of Ghana rather choose health care first before allocating money to a pension fund. This could be due to the low income levels in the country and the culture of catering for extended families thereby making savings very difficult. This however has adverse implications on the future of the economy since most aged people in the near future may not be able to provide for themselves.

With regards to the health care insurance, the highest coverage was recorded in the Upper East Region where about 93.2 percent of the respondents were covered by health insurance. The Upper East Region however has the lowest pension contributors (23.9%) out of the respondents. This is contrary to what pertains in the Western Region which has the lowest health insurance members but one of the highest regarding the contribution to pension funds (68.7%). Contribution to pension fund is highest for respondents in the 26 to 60 age category due to employment. Similarly, majority of the respondents with university degree(s) (first degree and beyond) are more likely to be social security contributors.

Respondents working in the formal private sector and the public sector also exhibited striking findings in the study. It is assumed that due to the nature of employment, every employer has to deduct the contribution for social security from the salary of a formally employed worker. Fascinatingly, only 37.3 percent and 24.3 percent of respondents working in the formal private and public sectors respectively are paying into a pension fund. This means that some employers are not working in accordance with the law. It could also imply that most of the employees in the formal sector (both private and public) are contract staff (working for a particular time period).

**Table 19: Which social security system do you contribute to?**

		Pension (%)	NHIS (%)	Both (%)	I cannot afford to contribute (%)
<b>Nationwide</b>		27.4	46.6	24.5	1.5
<b>Region</b>	Ashanti Region	20	43	37	-
	Brong Ahafo Region	24.9	51.5	19	4.6
	Central Region	36	44.1	19.9	-
	Eastern Region	34.5	42.2	20.7	2.6
	Northern Region	34.6	52.2	-	13.2
	Upper East Region	6.8	76.1	17.1	-
	Upper West Region	13.9	38.9	40.3	-
	Volta Region	8.7	38	27.4	26
	Western Region	53.2	22.6	15.5	8.7
	Greater Accra	16.6	60.4	23	-
<b>Sex</b>	Female	22.1	58	19.9	1.7
	Male	32.2	39.6	28.2	1.4
<b>Age</b>	15-25	9.1	59.6	28.7	2.5
	26-35	33.7	42.1	23.5	0.6
	36-50	50.5	31.2	17.4	0.9
	51-60	46.5	32.3	19.7	1.6
	61 & above	34	26	40	0
<b>Level Education</b>	No school	11	47.9	39.7	1.4
	Basic-JSS/JHS	9.2	60.6	27.8	2.4
	Secondary Education	14.1	54.7	29.7	1.5
	University	46	36.7	16.3	1
	Post-Graduate	42.4	29.2	28.5	0
	Other	41.3	34.9	23.8	0
<b>Number of Children</b>	No children	48.4	35.5	16.1	0
	1-2	36.3	41.6	20.9	1.2
	3-5	29.2	45.7	23.5	1.6
	6-7	18.5	58.6	21.9	1
	8 & above	14.1	52	32.5	1.4
<b>Occupation</b>	Formal Private Sector	18.4	58.6	18.9	4
	Public Sector	6.6	57.8	17.7	1
	Informal Sector	7.4	67	23.2	2.5
	Student	6.6	57.8	34.6	1
	Unemployed	6.4	56.7	36.4	0.5

## 4.9 Overall Living Condition compared to 2009

The study sought to find out the change in the living conditions of the respondents in 2013 compared to that of 2009. The results reveal that the living condition of 38.9 percent of the respondents has worsened whereas that of 44.1 percent improved (both slightly and greatly) but that of 17.3 percent has remained unchanged as depicted in Table 20. The changes in living conditions are variedly distributed among the regions. Ashanti Region has the largest proportion of respondents whose living condition has worsened between 2009 and 2013 and this is followed by Greater Accra (46.8%) and Western (33.1%) regions. Improvement in living condition is however more common in the Brong Ahafo, Upper East and Northern Regions where 65.7%, 61.7% and 59.9% respectively have their living standards slightly and greatly improved (see Table 20).

The study also found that more women (46.7%) had their living condition worsened in 2013 relative to their male counterparts (32.9%) whereas that of majority of public sector workers has improved more than that of workers in other employment categories. The improvement in the living condition of public sector worker is attributable to the introduction of the Single Spine Salary Structure. Also, majority of respondents with less than university education have worsened living condition in 2013 relative to 2009. Similarly, the living condition of majority of persons in the 26 to 60 years age categories has improved in 2013 compared to the improvement in that of those in the 15-24 and 61 and above age categories (Table 20).

The study further found that the proportion of respondents whose living condition worsened in 2013 increased with the size of the household. The results in Table 20 indicate that the living condition of only 20.6 percent of persons with no children worsened whereas 43.9 percent of the respondents with eight or more children had their living conditions worsened in 2013. Such a trend is expected since the expenditure of larger households increase more than that of smaller households with any increase in price levels.

**Table 20: How do you rate your overall living situation, compared to 2009? (%)**

		Worsened	Unchanged	Slightly improved	Greatly improved
<b>Nationwide</b>		<b>38.9</b>	<b>17.3</b>	<b>37.2</b>	<b>6.9</b>
<b>Region</b>	Ashanti Region	61.1	18.2	16.6	4.1
	Brong Ahafo Region	21.6	12.7	59.2	6.5
	Central Region	32.1	19.2	40.9	7.8
	Eastern Region	26.1	17.4	37.4	19.1
	Northern Region	25.9	13.9	50.6	9.6
	Upper East Region	20.8	17.5	47.5	14.2
	Upper West Region	29.9	24.7	41.6	3.9
	Volta Region	25.5	22.6	47.1	4.8
	Western Region	33.1	17.7	44.9	4.3
	Greater Accra	46.8	16.2	30.2	6.8
<b>Sex</b>	Female	46.7	16.8	54	6.1
	Male	32.9	17.4	42.4	7.3
<b>Age</b>	15-25	49.4	16.4	27.3	7
	26-35	31.2	15.9	46.3	6.5
	36-50	29.8	21.5	40.8	7.8
	51-60	34.1	23.6	40.7	1.6
	61 & above	40.7	16.7	33.3	9.3
<b>Level Education</b>	No school	46.2	26.9	26.9	0
	Basic-JSS/JHS	42.1	19.8	33.1	5
	Secondary Education	45.8	16.5	30.5	7.2
	University	33	15.9	44	7.1
	Post-Graduate	27	19.1	44.1	9.8
	Other	29.2	24.6	35.4	10.8
<b>Number of Children</b>	No children	20.6	23.5	44.1	11.8
	1-2	35	20.1	38.6	6.3
	3-5	40.3	13.8	39.9	6
	6-7	40.5	18.6	30.9	10
	8 & above	43.9	17.7	30.3	8.1
<b>Occupation</b>	Formal Private Sector	39	19.9	34.8	6.4
	Public Sector	29	18.1	46.3	6.6
	Informal Sector	46.3	19.9	31.3	2.5
	Student	48.5	15.8	28.4	7.3
	Unemployed	48.5	18.5	29.5	3.5

## Chapter Five

### Findings in Nationwide Migration Patterns

#### 5.1 Resettlement

The establishment of oil companies and plants in the Southern belt of Ghana comes along with resettlement of local communities. The study therefore sought to find out about resettlement situations in four regions namely; Central Region, Eastern Region, Western Region and Greater Accra Region<sup>22</sup>. The results show that only 5.6 percent of the respondents in these four regions were asked to resettle with resettlement being more prominent in the Western Region where 8.3 percent of the respondents were asked to resettle by either the government or the oil companies. Those who were asked to relocate did not include people with no children, workers in the informal sector and the unemployed (Table 21).

Table 21: Resettlement		Have you or your family been asked for resettlement by government institutions or oil companies?		IF YES - Did you or your family agree to move?		Compensation for resettlement offered from state or oil company?	
		Yes	No	Yes	No	Yes	No
<b>Nationwide</b>		5.6	94.4	14.6	85.4	5.1	94.9
<b>Region</b>	Central Region	3.1	96.9	22.1	77.9	5.4	94.6
	Eastern Region	2.3	97.7	14.3	85.7	9.1	90.9
	Western Region	8.3	91.7	6.7	93.3	3.4	96.6
	Greater Accra	5.1	94.9	16.9	83.1	3.9	96.1
<b>Sex</b>	Female	4.9	95.1	10.7	89.3	1.3	98.7
	Male	6.1	93.9	17.7	82.3	8	94
<b>Number of Children</b>	No children	0	100	-	-	-	-
	1-2	4.7	95.3	12.2	87.8	2.3	97.7
	3-5	5.2	94.8	12.3	87.7	4.7	95.3
	6-7	7.2	92.8	31	69	8.1	91.9
	8 & above	10.5	89.5	14.3	85.7	6.2	93.8
<b>Occupation</b>	Formal Private Sector	5.5	94.5	14.9	85.1	3.3	96.7
	Public Sector	5.4	94.6	6	94	6.3	93.7
	Informal Sector	0	100	-	-	-	-
	Student	0.4	99.6	19	81	3.6	96.4
	Unemployed	0	100	-	-	-	-

Respondents to the question in 5 regions = 1002

The results further show that of those who were ever asked for resettlement only 14.6% agreed to relocate and this was more common among respondents in the Central and

<sup>22</sup> Questionnaire for Volta Region included questions as well. Due to problems with the data, the results have not been included in the analysis.

Greater Accra Regions where 22.1 percent and 16.9 percent of them respectively were willing to resettle. More males than females were asked to resettle and consequently more males than females agreed to resettle. The study also found that more of those with larger family sizes were asked to resettle.

The study however found that only a small proportion of those who were resettled have been offered compensation for their losses and future expenditures. On the average only 5.1 percent of those who were resettled received compensation for the resettlement. Eastern Region has the largest proportion of persons who were compensated for resettlement whereas Western Region has the least (Table 21).

## 5.2 Job and Migration

There is the general misconception about the impact of oil on economies especially in developing countries. These countries usually see crude oil as the panacea for job creation, economic growth and welfare improvement. Ghana’s public opinion about the discovery of oil in 2007 was no exception. The oil find raised enormous expectations among Ghanaians about their living conditions and income levels. These expectations were raised further by the comment of persons in public offices. In a BBC interview conducted in 2007 the former President of Ghana, John Agyekum Kufuor, claimed that “with oil as a shot in the arm, we’re going to fly” (BBC News, 2007).

Those high expectations were also as a result of the predictions about future employment opportunities of the indigenous citizens of the coastal areas. Whereas the Ghana Oil and Gas Service Providers Association estimated that 100,000 jobs could be created by the industry (Badgley, 2011b), the Ministry of Energy was pretty modest in their estimations and stated that 10,000 jobs are realistic. In June 2012, the government celebrated their success – the generation of 812 jobs (Putsch, 2012) in the oil industry. According to the latest estimations another 1,000 Ghanaians could be employed by 2020.

The expectation about the massive employment in the oil sector has not been realized due to one basic problem. It is well noted that the “core oil industry is capital intensive which means that not many people get employed and at the same time the very few people that are employed have a high level of skill normally not available in places like Takoradi” (Otoo, 2013). This is due to the fact that the educational level of the available workforce is not sufficient enough to take positions on the oil rigs or other side industries. As a result, high-skilled workers that are needed at the oil facilities are brought in either from Accra or directly from abroad.

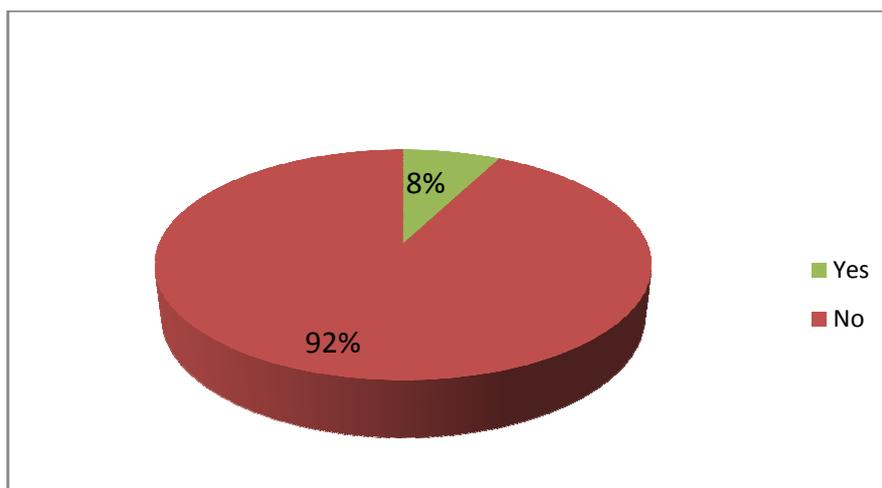


Figure 5: Interest in joining the oil industry

The study therefore explored the employment situation in the oil and gas industry. Figure 5 shows the proportion of respondents who were interested in oil and gas industry. The figure shows that majority of the respondents were not interested in joining the industry.

The study thereafter looked at the respondents and their relatives who have ever pursued employment in the oil and gas industry. Table 22 shows that Western region has the highest proportion of persons who have ever sought employment in the oil and gas sector. 11.2 percent of the respondents in the region have indicated that they or relatives are or were interested in joining the oil and gas industry.

Table 22: Did / do you or a relative pursue employment in the oil and gas industry? ( percent) –in relation to region			
Region		Yes	No
		Ashanti	7.0
	Brong Ahafo	7.0	93.0
	Central	5.2	94.8
	Eastern	6.6	93.4
	Greater Accra	9.4	90.6
	Northern	6.3	93.7
	Upper East	7.7	92.3
	Upper West	8.3	91.7
	Volta	4.9	95.1
	Western	11.2	88.8

This could be due to the proximity of those persons to the production sites. Besides, Sekondi-Takoradi as the oil-city and Regional Capital of the Western Region is the hot spot of oil-related businesses with its associated high earnings. This is evidenced in the lifestyle of employees in the oil and gas industry which serves as a motivation to the unemployed to seek employment in the industry.

Within the Western Region, Axim ,a small fishing community, had the highest share of

residents with employment ambitions. 15.6 percent of those who were interviewed from Axim indicated that they or a relative pursued or pursue employment in the oil industry. Axim, 65km west of Takoradi, is one of the six most affected communities along the Ghanaian coast as a result of the oil drilling. The Jubilee Field and its oil rigs are situated in the fishing grounds of the local fishermen. As a result, some of the local community members consider the oil industry as employment opportunity for them. They therefore sought employment in the industry but were not employed due to the fact that the oil and gas industry is highly specialized. Education and Training in the industry takes up to 15 years and requires certain skills.

The study however found that the quest to seek employment in the oil and gas industry is not dominant in the other nine regions as compared to the Western Region. The results in Table 22 indicate that only 5.2 percent of the respondents in the Central Region had ever sought employment in the oil and gas industry. Except in the Greater Accra Region with a total share of 9.4%, all other regions level out between 5% and 7%. The results in Greater Accra Region could be explained by the relatively high share of academics and the location of the head offices of most of the oil firms in Accra.

The results further show that 11.1% of the unemployed have ever sought employment in the oil and gas industry whilst about 10.2% of private sector employees have also pursued employment in the same industry. It is also evidence from the results that a larger proportion of degree holders (both first degree and post graduate degree) sought employment in the industry.

The northern part of Ghana has been marked by a weak economic performance and this trend dates back to the colonial era. Majority of Ghana's natural resources such as gold, timber and cocoa are located in the southern part of the country. Additionally, the "short growing season and erratic rainfall reduces the variety of crops that can be grown" (Tsikata and Seini, 2004:6) in the northern belt of the country. These circumstances aggravate the economic problems of the north and hamper the agricultural industry. Several studies pointed out that a larger population in the North is affected by a generally lower living standard and lower literacy rate than the southern part of Ghana (Tsikata and Seini, 2004). This imbalanced development and north-south divide presents the society with the problem of internal migration - overpopulation in the urban south and depopulation of the rural north.

The study therefore looked at the willingness of some of the respondents to migrate to the coastal areas in search of jobs in any industry. This is aimed at including all working migrants to evaluate migration movements to the coastal area. The study found that more than half of the national respondents (59.5%) had the thought of migrating to the south in search of greener pastures. Migration to the coastal areas is a common phenomenon among the respondents in the Brong Ahafo and Western regions where about three out of every four respondents were or had ever thought of migrating to the coast in search of better employment opportunities. Other regions where the thought of migrating to the coast was also common includes Ashanti, Volta and Upper East regions where 73.6%, 70.7% and 70.3% of the respondents respectively have the thought of migrating (Table 23).

Table 23: Have you or a relative thought of moving to the coastal area for any job reason in the last three years? (%)			
		Yes	No
<b>Nationwide</b>		59.5	40.5
<b>Region</b>	Ashanti	73.6	26.4
	Brong Ahafo	75.9	24.1
	Central	35.9	64.1
	Eastern	24.8	75.2
	Greater Accra	45.5	54.5
	Northern	57.7	42.3
	Upper East	43.6	56.4
	Upper West	70.3	29.7
	Volta	70.7	29.3
	Western	74.5	25.5

The study however found that contrary to expectations, the share of respondents in the Upper East (43.6%) and the Northern Region (57.7%) who had thought of migrating to the south were below the national average (59.5%) although 70.3 percent of the respondents in the Upper West Region thought of migrating (Table 23). The rates in Accra, the Central Region and Eastern Region are comparably low. That can be explained by either the economic prosperity of the three regions or their proximity to the coastal areas. As expected, the study also revealed that 75 percent of the respondents in the informal sector thought of moving to the coastal area for job reasons. This could be due to the low earnings as well as the unattractive and unsecured nature of jobs associated with the informal sector.

When looking at the age of the respondents, it is evident that older people have a larger proportion of persons who thought of moving to the coastal areas (Figure 6). An explanation for these results could be that the older people joined their children in the coastal areas, so that the children can take care of them.

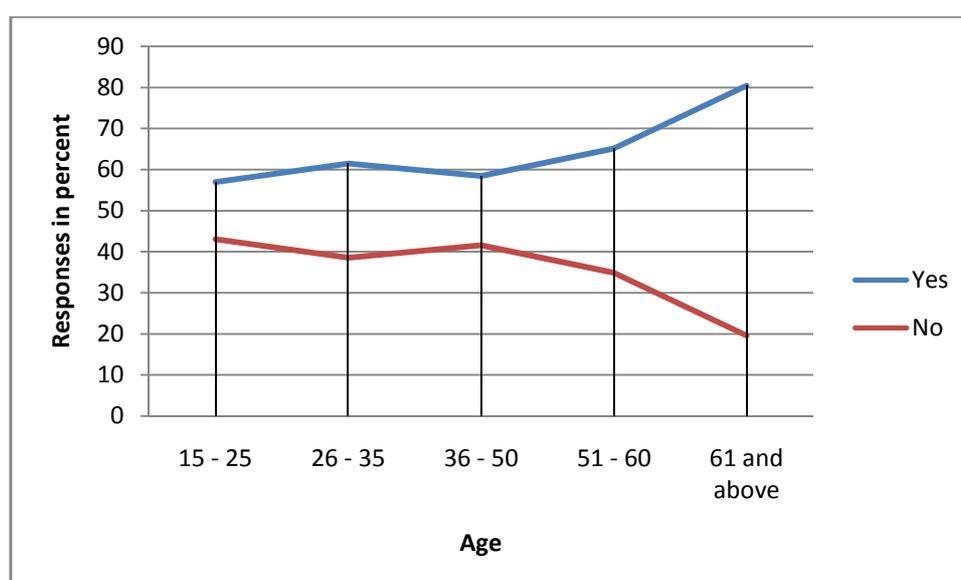


Figure 6: Relationship between desire to move South and Age

However, the overall results suggest that a vast majority of the study population at least thought of moving to the South. Though there is no evidence to suggest that those respondents or their relatives translated their thoughts into action the results reveal that the southern parts of Ghana are still appealing to Ghanaians in all the ten regions. This underscores the importance of economic development - not only in the North - to address the regional imbalances.

The study also investigated the towns of destination of the respondents who thought of migrating. The results show that Accra is the most preferred choice for majority of the respondents who thought of migrating. Almost 44percent of the respondents who thought migrating indicated that they would head to the capital city if they or their relatives are to migrate (Figure 7). The capital city, Accra, has been the destination point of most migrants since the colonial era. This is due to the perception of the abundance of jobs as well as the better standard of living in the capital city. The other destination cities include Takoradi (22%) and Tema (13%) respectively (Figure 7). The choice of Takoradi over Tema as a destination place for the migrants can be explained by the drilling of oil in the city as well as the abundance of other natural resources in other parts of the region.

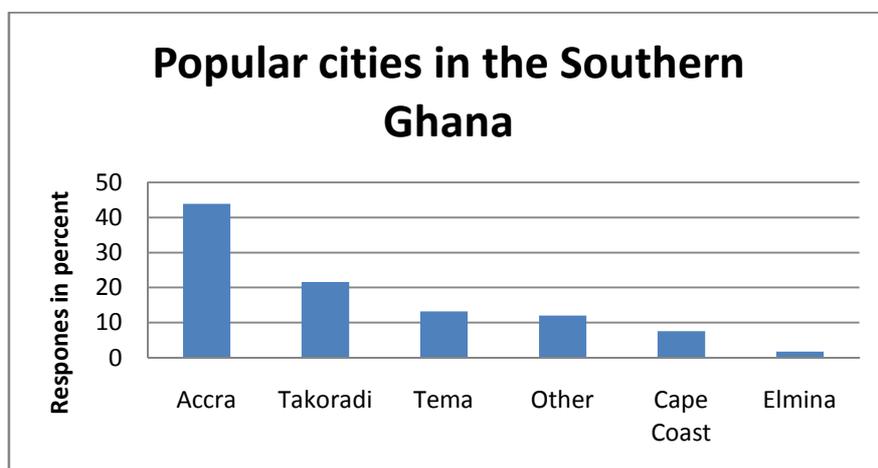


Figure7: Popular cities in Southern Ghana

Movements of people can have dramatic impacts on the social fabric of communities. First, social interactions, networks and structures of individuals and households are threatened by the constant in- and out-migration. Existing and functioning social networks within communities are of utmost importance for those who are most vulnerable to economic and social challenges. Another challenge is the lack of employment in the urban areas, which leaves migrants in the situation to take up casual work or being unemployed. The majority of migrants are ending up in the problematic and poor areas of the urban cities. Moving back to the home region is sometimes not an option because the situation back home is similar.

The study further looked at some of the communities that have experienced in- and out-migration in the last three years. This is aimed at examining the stability existing in the study communities. From the results in Table 24, it is apparent that the majority of respondents have the perception that people move away from the area where they live.

		Yes, people move to the area where I live	Yes, people move away from the area I live	No	I do not know
<b>Nationwide</b>		23.7	32.2	20.6	23.5
<b>Region</b>	Ashanti	40.3	20.3	20.3	19.1
	Brong Ahafo	24.2	21.3	16.8	37.7
	Central	18.7	25.2	25.3	30.8
	Eastern	14.6	13.8	22.0	49.6
	Greater Accra	18.0	40.7	20.6	20.7
	Northern	18.1	50.0	13.8	18.1
	Upper East	9.8	54.5	22.3	13.4
	Upper West	10.8	35.4	40.0	13.8
	Volta	17.9	43.0	14.5	24.6
Western	27.1	28.7	26.3	17.9	
<b>Area</b>	Town or Village*	15.0	36.0	26.0	23.0
	Town or Village	32.2	29.4	18.0	20.3
	District Capital	22.0	39.3	18.4	20.3
	Regional Capital	17.4	30.3	24.4	27.9

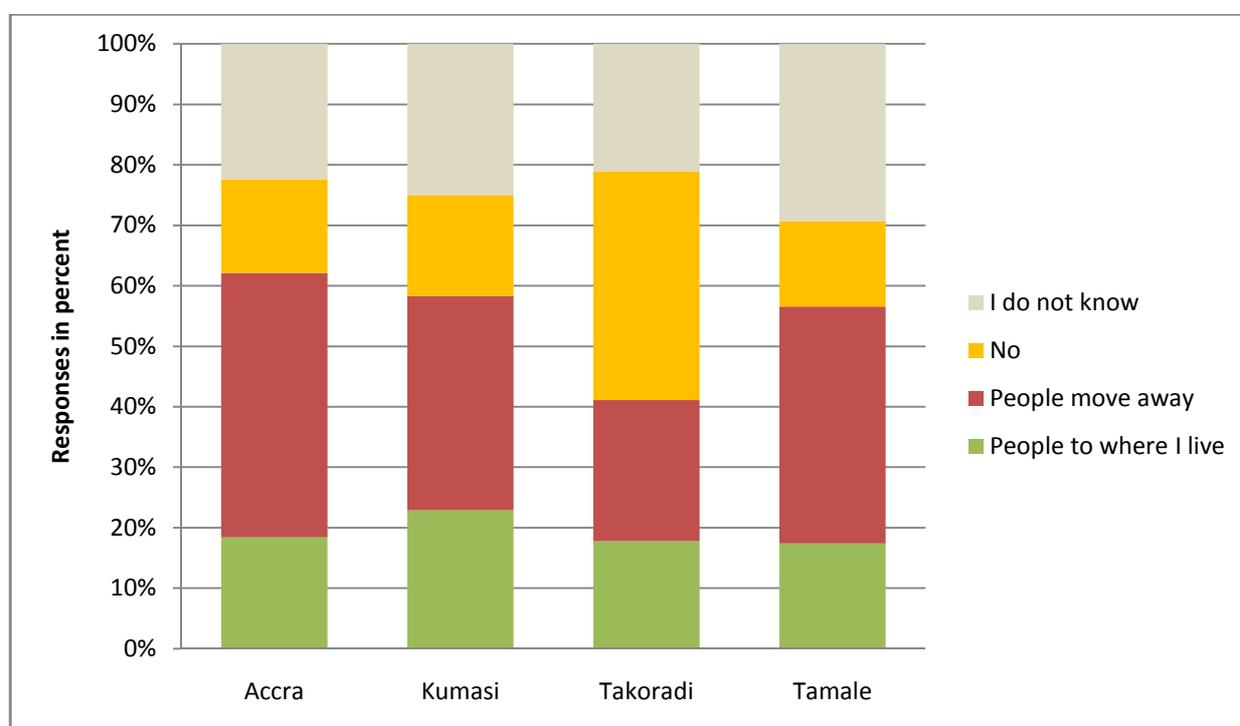
Regarding in-migration, the study showed that the three northern regions (Northern, Upper East and Upper West) had the lowest rates ranging between 10% and 18%. At the same time, the results suggest that those regions are marked by comparably high rates of out-migration. It becomes more evident when looking at the net (balance sheet) of in-migration and out-migration in Table 25. Upper East has 44.6 percent more out-migrants than in-migrants.

		Balance in-migration vs. out-migration
<b>Region</b>	Upper East	-44.6
	Northern	-31.9
	Volta	-25.1
	Upper West	-24.6
	Greater Accra	-22.7
	Central	-6.6
	Western	-1.6
	Eastern	0.8
	Brong Ahafo	2.9
	Ashanti	20.1

On the average, Ashanti region is perceived to have recorded the largest proportion of in-migrants. A keen examination of the results indicates that the region’s growth in in-migration result is largely influenced by the figures from Manso Adubia in the region. This community happens to be a contemporary mining area in the region explaining the in-

migration within the time period. Almost 88% of the respondents in this village perceived in-migration in their community. If Manso Adubia is excluded from the analysis, the results of Ashanti are in line with the national average. The results also show that 32 percent, 22 percent and 17 percent of the respondents in towns or villages, District Capitals and Regional Capitals respectively indicated that there is in-migration in their communities.

The chart below (Figure 8) illustrates migration movements in four biggest cities of Ghana – Accra, Kumasi, Tamale and Takoradi. It is clear that Takoradi experienced the least out-migration among the four biggest cities in the country. This is due to the oil find in the city which serves as an incentive for the residents to remain in the city due to the hope of job creation. The city therefore has the largest proportion of respondents who indicated that there was neither in- or out- migration in the city. Accra followed by Tamale however recorded the largest proportion of out-migration compared to the other large cities.



**Figure 8: Migration in the metropolis areas**

Social networks of vulnerable people are much more threatened by out-migration of relatives or familiar faces than in-migration of new settlers. Thus, out-migration is considered to have greater on the social system than in-migration. To a certain extent that could be reflected in the responses.

## Chapter Six

### Infrastructure

The availability as well as the state of basic infrastructure in a country is usually regarded as a main indicator for economic development and progress. Road construction works, reliable water and electricity supply as well as efficient health facilities are very critical to the local communities.

The *Petroleum Revenue Management Act, 2011 (Act 815)* stipulates that the government has to spend oil revenues on twelve focus areas. Among others, these areas include: (1) physical infrastructure and service delivery in education; science and technology; (2) potable water delivery and sanitation; (3) infrastructure development in telecommunication, road, rail and port; and (4) physical infrastructure and service delivery in health (ACEP Report, 2012).

The study therefore focused on the state of some of the basic infrastructure in the communities under study between 2009 and 2013. Some of the infrastructure considered in this study include road, which is a crucial factor for accessing markets or transportation, the communication sector comprising mobile internet and telephony, as well as electricity and water supply. Furthermore, the study assessed the status of health facilities, educational and cultural institutions. The results of the assessment are presented in Table 25 and Figures 9 and 10.

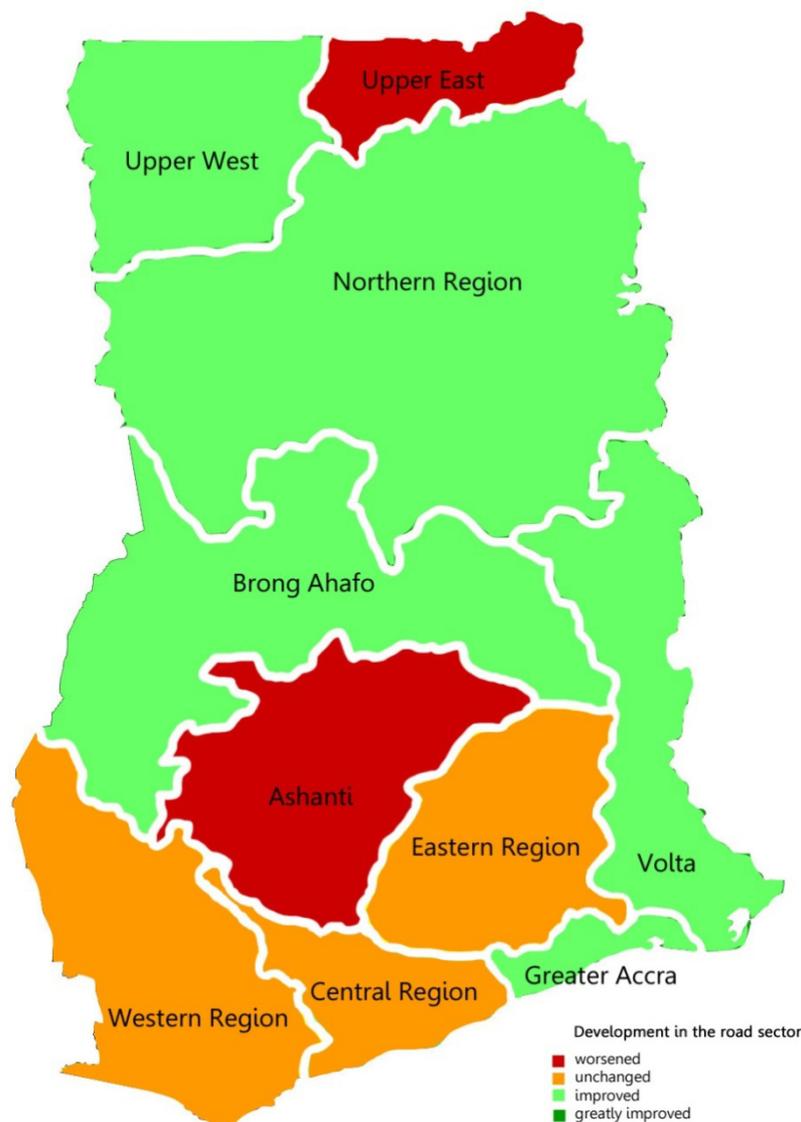
With regards to the road sector, the results as shown in Figure 9 indicates that the road infrastructure in the Upper East and Ashanti region worsened between 2009 and 2013 whereas it improved in the Northern, Brong Ahafo, Upper West, Volta and Greater Accra Regions. However, the road infrastructure in the Central, Eastern and Western Regions remained unchanged between 2009 and 2013. Details of the changes in the road sector are presented in Table 26.

The results reveal that more than half of the respondents in the Greater Accra, Northern, Upper West and Volta Regions indicated that roads in their respective regions have improved (both slightly and greatly) with Volta Region recording the largest proportion. However, more than half of the respondents and about four out of ten respondents in the Ashanti and Upper East Regions respectively showed that roads in the region have deteriorated/worsened. Majority of respondents in the Central, Eastern and Western Regions attested to the fact that roads in the respective regions have remained unchanged between 2009 and 2013. This can be explained by the fact that road development in the area just keeps up with the deterioration in the road sector.

The regional disparity in the road sector is one of the indications of the inequity in development across the country. Road is a very critical infrastructure for every developing economy such as Ghana. Since Ghana as well as other developing countries are heavily reliant on agriculture there is the need to have quality road networks to aid the transportation of produce from the hinterlands to the market centers for exports and processing.

**Table 26: Do you think that improvements have been made in infrastructure in your area over the last three years?**

Region			Ashanti	Brong Ahafo	Central	Eastern	Accra	Northern	Upper East	Upper West	Volta	Western
<b>Sector</b>	<b>Roads</b>	Worsened	56.3	20.2	10.3	7.4	12.3	12.8	36.7	17.3	12.0	29.9
		Unchanged	20.8	35.7	43.2	50.8	25.6	30.0	30.8	28	23.1	46.6
		Slightly Improved	18.8	37.7	31.4	27.9	53.2	50.4	27.5	46.6	47.2	22.7
		Greatly Improved	4.1	6.3	15.1	13.9	8.9	6.8	5.0	8.0	17.5	0.8
	<b>Communications</b>	Worsened	16.5	3.6	9.5	5.9	11.5	8.84	5.2	1.37	6.34	8.7
		Unchanged	39.5	23.7	28	38.7	30.3	14.8	18.3	13.7	19.5	23.7
		Slightly Improved	34.6	55.4	43.9	38.7	34.4	46.9	60.0	38.3	49.7	48.2
		Greatly Improved	9.4	17.3	18.5	16.8	23.7	29.3	16.5	46.5	24.3	19.4
	<b>Electricity and Water Supply</b>	Worsened	72.9	25.1	37.5	24.8	46.9	24.6	11.3	22.9	26.4	40.6
		Unchanged	15.6	29.5	22.9	19	31.1	23.8	28.7	40.5	31.8	37.8
		Slightly Improved	9.3	42.2	28.1	44.6	17.8	44.8	49.6	28.3	36.2	18.3
		Greatly Improved	2.2	3.2	11.5	11.6	4.2	6.8	10.4	8.11	5.39	3.2
	<b>Health Institutions</b>	Worsened	44.3	8.0	6.2	2.4	14.4	12.0	0.9	2.6	13.1	15.6
		Unchanged	35.2	26.7	40	38.2	45.0	30.1	28.1	24.6	34.1	43.6
		Slightly Improved	15.6	60.6	44.6	44.7	31.7	46.1	58.8	55.8	47.8	36.8
		Greatly Improved	4.8	4.8	9.2	14.6	8.73	11.6	12.0	16.8	4.8	4.0
	<b>Educational Institutions</b>	Worsened	28	3.6	4.6	2.4	15.1	8.0	4.2	2.7	2.44	10.4
		Unchanged	45.7	32.0	34.0	43.9	34.5	26.4	22.5	26.7	16.1	38.8
		Slightly Improved	21.2	57.2	44.8	35	34.9	50.4	56.7	49.3	64.3	43.2
		Greatly Improved	5.1	7.2	16.5	18.7	15.5	15.2	16.7	18.7	17.0	7.6
	<b>Cultural Institutons</b>	Worsened	21.9	8.4	16.8	22.6	11.5	16.1	25.2	14.9	8.5	18.3
		Unchanged	59.9	74.4	49.2	50.8	58.9	57.8	42.6	33.8	59.0	62.5
		Slightly Improved	13.0	11.2	29.8	24.2	24.2	22.2	32.2	47.3	29.0	18.3
		Greatly Improved	5.07	6.0	4.2	2.4	5.4	3.64	-	2.7	3.5	0.8



**Figure 9: Developments in the road sector**

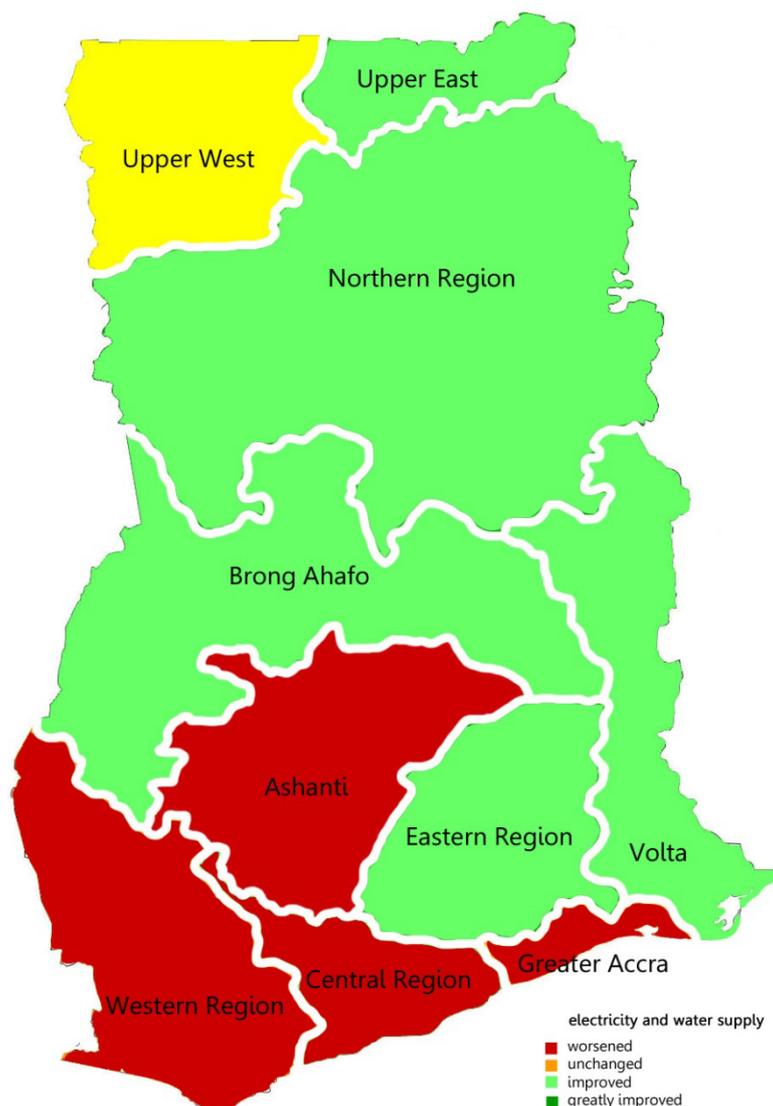
The results in Table 26 further shows that a vast majority of the respondents in almost every region claimed that the availability and quality of mobile communications, either telephony or internet, has improved (either slightly or greatly) between 2009 and 2013. Upper West Region recorded the largest proportion of such respondents with the Upper East and Northern Regions following respectively. This is due to the fact that firms in the communication industry are mainly profit oriented. As a result, increasing coverage areas as well as connectivity translates into increases in profit, holding other factors constant. It is therefore not surprising that an under-water-cable was brought into the country in 2011 MTN (the leading telecommunication company in Ghana) in the deep sea from South Africa to Ghana. This is aimed at improving Broadband internet in the country. However, the network system in the country as well as the lack of maintenance makes it impossible to offer better telecommunication.

Unlike the communication sector, the results in the electricity and water sector are different. The results as presented in Figure 10 indicate that the supply electricity and water have deteriorated/worsened in the Western, Central, Greater Accra and Ashanti Regions

between 2009 and 2013 whereas it remained unchanged in the Upper West Region. However, there has been improvement in the supply of electricity and water in the Upper East, Northern, Brong Ahafo, Volta and Eastern Regions.

Details of the results on the supply of electricity and water are presented in Table 26. The results reveal that majority of the respondents in the Upper East (60%), Eastern (56.2%), Northern (51.6%) and Brong Ahafo (45.4%) Regions indicated that there has been improvement (both slightly and greatly) in the supply of electricity and water in their respective regions. However, most of the respondents in the Ashanti (72.9%), Western (40.6%) and Central (37.5%) Regions revealed that there have been deterioration electricity and water supply in the regions. In the Upper West Region, 40.5 percent of the respondents opined that the supply of electricity and water has neither improved nor deteriorated.

This trend shows that majority of the regions in the northern part of Ghana perceive improvements in the supply of electricity and water while most of the southerners consider the supply of such services to have deteriorated. This could be an indication that there are efforts to bridge the development gap between the north and south of Ghana. However, in doing so care must be taken not to neglect the south.



**Figure 10: Developments in electricity and water supply**

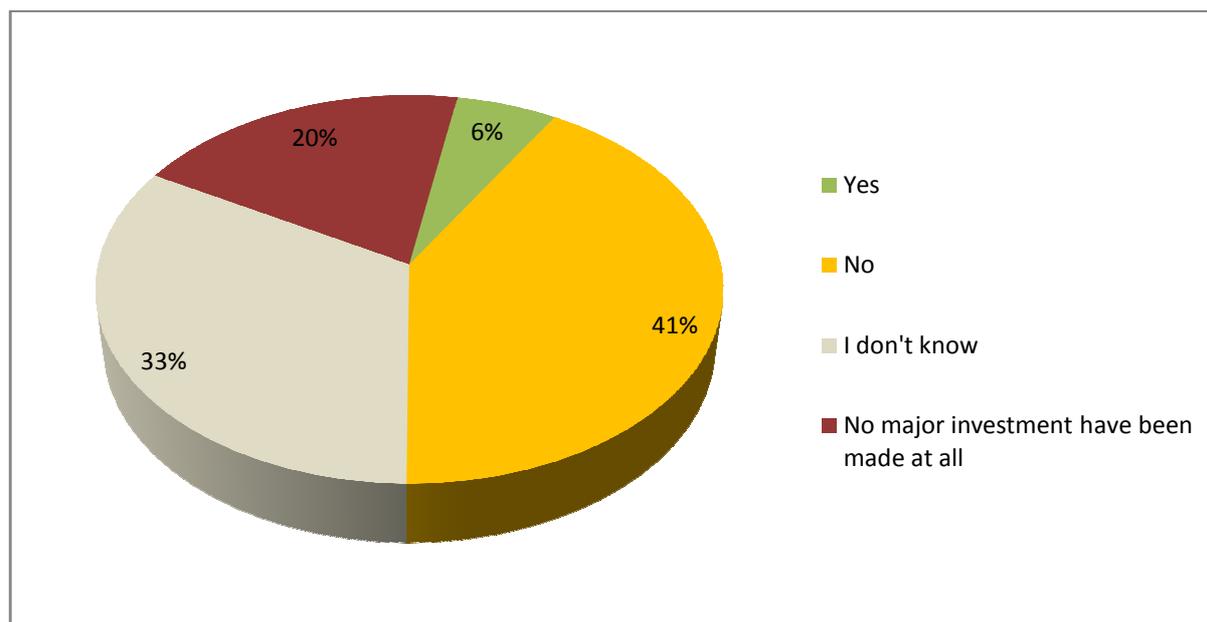
The results for the health sector as shown in Table 26 significantly vary from the others. The results show that with the exception of the Ashanti, Greater Accra and Western Regions, majority of the respondents in the other regions indicated that the quality of health facilities has improved in the last three years. This is more prominent in the Upper East and Upper West Regions where more than 70 percent of the respondents claim that the sector has slightly or greatly improved. Similarly, majority of the study population in Brong Ahafo (65.4%), Eastern Region (59.3%) and Northern Region (57.7%) are more than satisfied with the development. On the other hand, majority of the respondents in the Ashanti Region (44.3%) indicated a deterioration in health facilities whereas majority of respondents in the Greater Accra (45.0%) and Western (43.6%) Regions opined that health facilities have neither improved nor worsened. That could be an indicator that the regions are overwhelmed in migrant workers from outside the regions.

The results for improvements in educational institutions are similar to those of health facilities. The results show that more than half of the respondents in all the regions except the Ashanti Region indicated that there have been both slight and great improvements in

educational facilities. About four out of every five respondents in the Volta Region pointed out that there has been improvements in educational facilities in the region. Once again, the Ashanti Region has the least proportion of the respondents indicating that there were improvements in educational facilities. The Ashanti Region however has the largest proportions of respondents who alluded to the fact that educational facilities have worsened and this was followed by the Greater Accra and Western Regions respectively. Similarly, the Ashanti, Eastern and Western Regions have the biggest shares of respondents who believe that educational facilities have remained unchanged over the years.

Except in the Upper West Region, majority of the respondents in all the regions opined that cultural institutions have remained unchanged. The Upper West Region however recorded the largest percentage of respondents who indicated that cultural institutions have improved (both slightly and greatly) accompanied by the Central and Volta Regions. The Upper East Region however had the largest proportion of respondents who think cultural institutions have worsened.

The study further looked at the linkage between investments in the study areas and the revenues from the oil and gas production (Figure 11). The results in Figure 11 highlight that only 6% of the total respondents relate recent investments to revenues generated from the oil and gas industry whereas 42 percent did not link recent investments to revenues from the industry. 20 percent of the respondents indicated that no major investments have been made in their communities since the production of oil in Ghana.



**Figure 11: Do you link recent investments in your community to oil revenues?**

Regarding the regional distribution of the responses, it is clear that only 11 percent of the respondents in the Western Region linked investments to the oil and gas industry, followed by the Northern (9%) and the Volta (7%) regions. On the other hand, the three regions in the North (Upper East 73%; Upper West 53% and Northern 48%) had the highest share of people who do not relate investments to the oil and gas revenues. Interestingly, almost a quarter of respondents in the Western Region indicated that no major investments have been made in their communities. Those results were not related to the respondents'

location and did not differ significantly between Town of Village, Regional Capital and District Capital. Overall, only 20 percent of respondents in the Regional Capitals attested that no major investments have been made compared to the slightly higher ratio of 27 percent in the rural areas.

In all, the results of this chapter suggest that the northern part of Ghana is catching up with the south in terms of development. This is because most of the respondents in the North opined that there have been improvements in the road sector as well as the supply of electricity and water. Health and educational institutions have also been indicated to have improved in the northern part of Ghana. In contrast to that, most of the respondents in the southern part showed that facilities in the south are deteriorating. This is more dominant in the Ashanti, Greater Accra and Western Regions. Although, the results look promising the northern part of the country still has a long way to catch up with the south in terms of development. Besides, the southern part of the country still remains the driving force for the country's economic development and hence the current status quo needs to be at least maintained and even improved for further economic progress.

## Chapter Seven

### Political Issues

The chapter on political issues is aimed at examining the perceptions of the respondents on certain aspects of oil production's impacts and also assess their hopes and fears for the future. The study assessed the current political system and whether it is able to ensure an equal distribution of revenues from the oil and gas industry. Moreover, the study looked at the possibility of violence in the country.

The study first looked at the influence of the policy on oil and gas production on voting choices in the last elections in December 2012. The results in Table 27 illustrate that a vast majority of the total respondents (63.1%) indicated that the oil and gas policies did not influence their voting decision whereas only 19.4 percent showed that the policies had an effect on their voting. The Upper West (89.6%), Upper East (84.2%) and Volta (79.7%) Regions recorded the largest proportion of the respondents whose voting was not influenced by the oil and gas policies whereas the Central (30.3%) and Northern (24.8%) Regions documented the largest proportion of respondents whose voting was influenced by the oil and gas policies.

The results further show that the oil and gas policies influenced the voting pattern of a greater proportion of those in the regional capitals relative to those in the district capitals as well as those in towns or villages. However, there are no major differences between the male and female respondents whose voting was influenced by the oil and gas policies. Besides, a look at the age of the respondents and their voting behavior reveals that there is a trend of decreasing awareness with the age groups except for those above 60 years (Table 27). This means that apart from those above sixty years, older respondents have a lesser proportion of those whose voting behavior had been influenced by oil and gas policies. This gives an indication that it is the youth that is obviously most interested in the oil and gas industry and its political management.

Taking the occupation of the respondents into consideration, it is apparent from the results in Table 27 that the formal sector workers (32%) and the unemployed (23%) are most influenced by the oil and gas industry. This could be due to the fact that the unemployed still pin their hopes on the oil and gas industry as a guarantee for their own economic progress. This argument is supported by the share of respondents with no education (23%) or only basic education (14%) who were influenced in voting by the oil and gas industry.

<b>Table 27: Do you think that the policy on oil and gas production has anyhow influenced your voting decision in the last elections in December 2012?</b>				
		Yes	No	I do not know
<b>Nationwide</b>		19.4	63.6	17.0
<b>Region</b>	Ashanti	21.4	69.8	8.8
	Brong Ahafo	16.7	65.5	17.8
	Central	30.3	44.7	25.0
	Eastern	16.5	55.4	28.10
	Greater Accra	20.6	49.7	29.7
	Northern	24.8	60.6	14.6
	Upper East	9.2	84.2	6.7
	Upper West	7.8	89.6	2.6
	Volta	8.7	79.7	11.6
	Western	20.9	66.1	13.0
<b>Area</b>	Town or Village	16.3	65.9	17.8
	District Capital	18.7	66.1	15.2
	Regional Capital	20.6	61.4	18.0
<b>Age</b>	15-25	24.1	54.2	21.7
	26-35	17.1	68.6	14.3
	36-50	15.5	75.0	9.5
	51-60	8.1	66.9	25.0
	above 60	17.6	70.6	11.8
<b>Sex</b>	Male	19.4	65.3	15.3
	Female	20.0	60.9	19.1
<b>Education</b>	Never been to school	22.7	62.6	14.7
	Basic education(primary to JHS/JSS)	13.8	60.7	25.5
	Post-graduate	23.8	69.4	6.8
	Secondary education	24.8	56.2	19.0
	University degree/diploma	16.9	69.0	14.1
<b>Occupation</b>	Formal sector	31.6	57.9	10.5
	Private sector	15.7	73.4	10.9
	Informal sector	20.6	60.6	18.8
	Public sector	15.8	64.0	20.2
	Student	16.9	70.2	12.9
	Unemployed	23.1	55.3	21.1

The study further looked at the fears of the respondents about the country and the results as presented in Figure 12 reveal that 22% of the respondents have serious fears about the future of the political system and eroding structures (i.e. corruption). This is followed by the fear of violent conflicts (13%) and the fear of poverty (9%). Despite the actual economic gaps between the North and South it is interesting that the fear of division between northern and southern parts of the country was rated comparably low with only 4% of the responses. The respondents in Upper West formed an exception of above-average response rate of 11% fearing division. Other regions where the fear of division was dominant include the Central, Brong Ahafo and Greater Accra regions. Ashanti Region (37%) has the largest fraction of respondents who have the fear of violent conflicts, followed by the Northern (30%) and the Eastern (28%) region.

Western Region (24%) recorded the largest proportion of respondents who have the fear of poverty whereas Upper West Region (61%) has the highest proportion of those who fear of pollution in the oil producing areas. This might be due to the fact that the hope for instant economic development in the Western Region has casted a cloud over realistic threats for the environment. Western Region has a higher fear for poverty because of recent rent and price increases in the region.

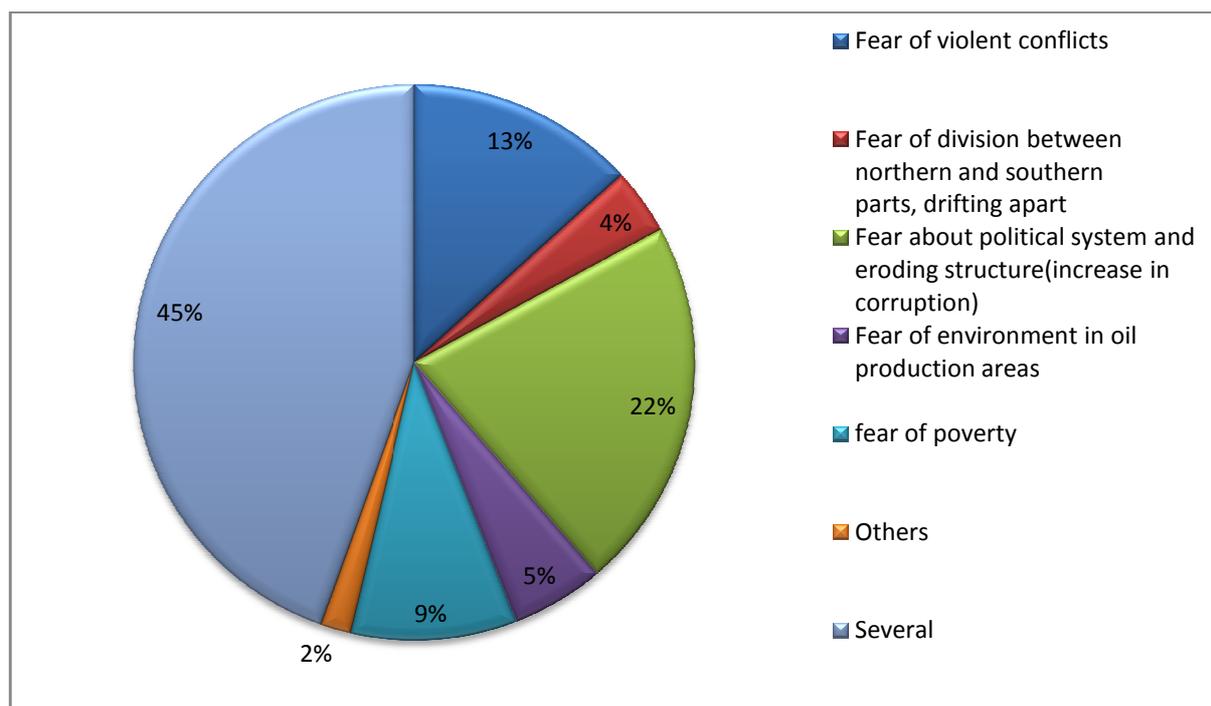


Figure 12: Types of Fears Amongst respondents of the impact of Oil Activities

The study further investigated the notion that the incomes and revenues from the oil production are spent wisely by the government. In all, about 18 percent of the respondents responded with agreed (including strongly agreed) with that notion whereas about 50 percent disagreed. In all the regions, the proportion of the respondents who disagree with that notion is larger than those who agree (Figure 14). Ashanti Region recorded the largest percentage of respondents who disagree (including strongly disagree) with the notion whereas Eastern Region documented the biggest proportion of respondents who agree (including strongly agree).

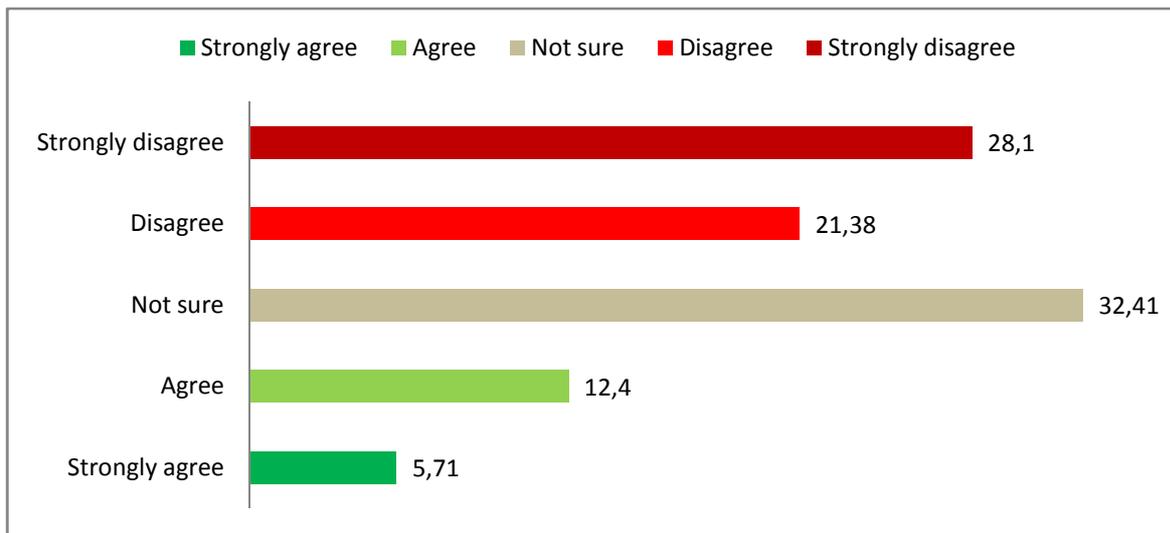


Figure 13: "The incomes and revenues from the oil production are spent wisely by our government."

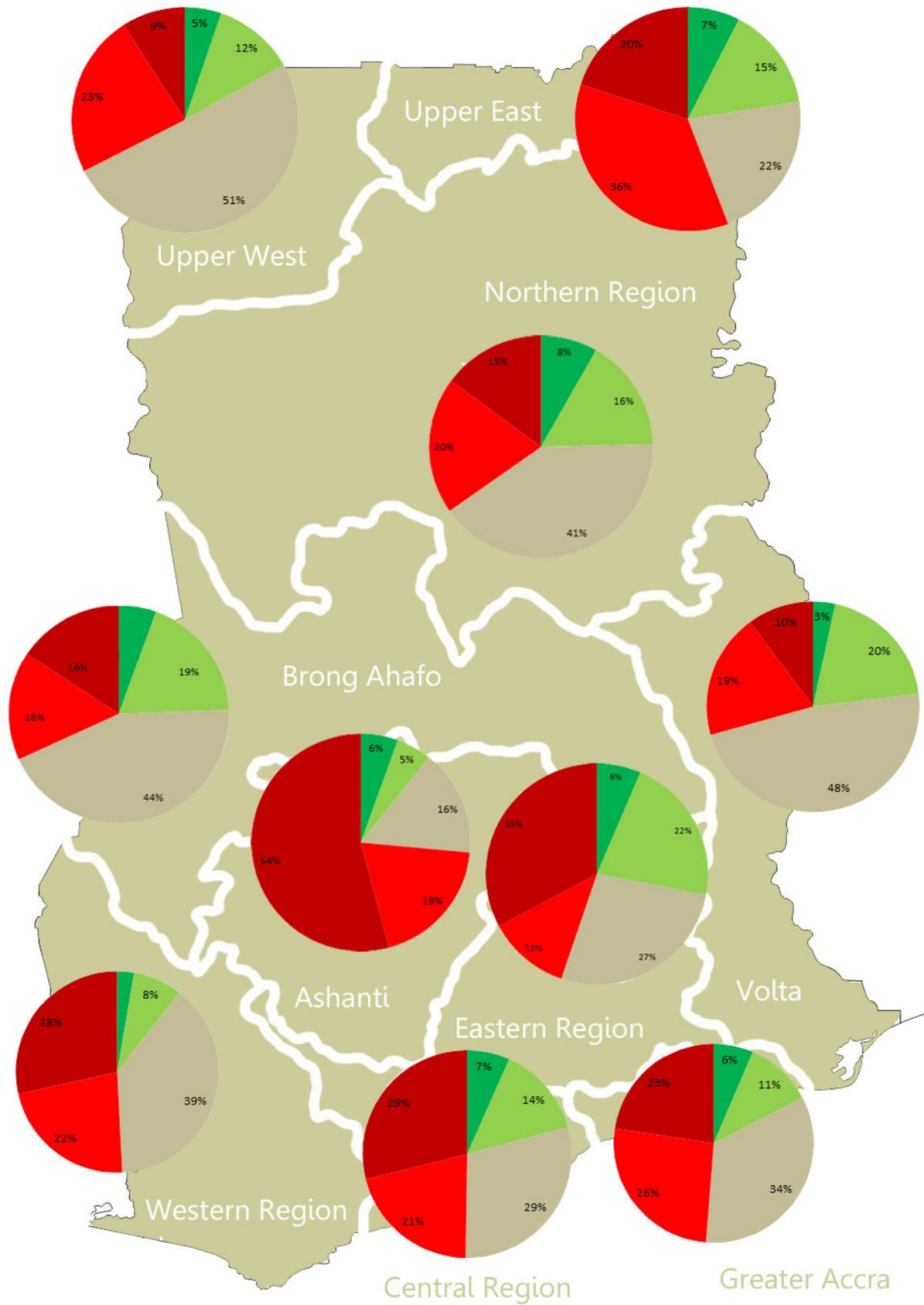
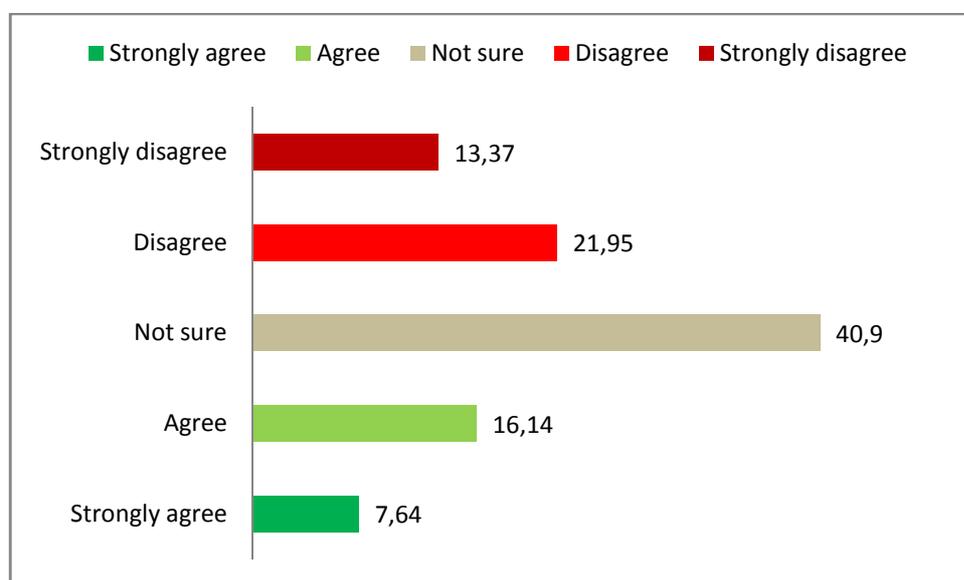
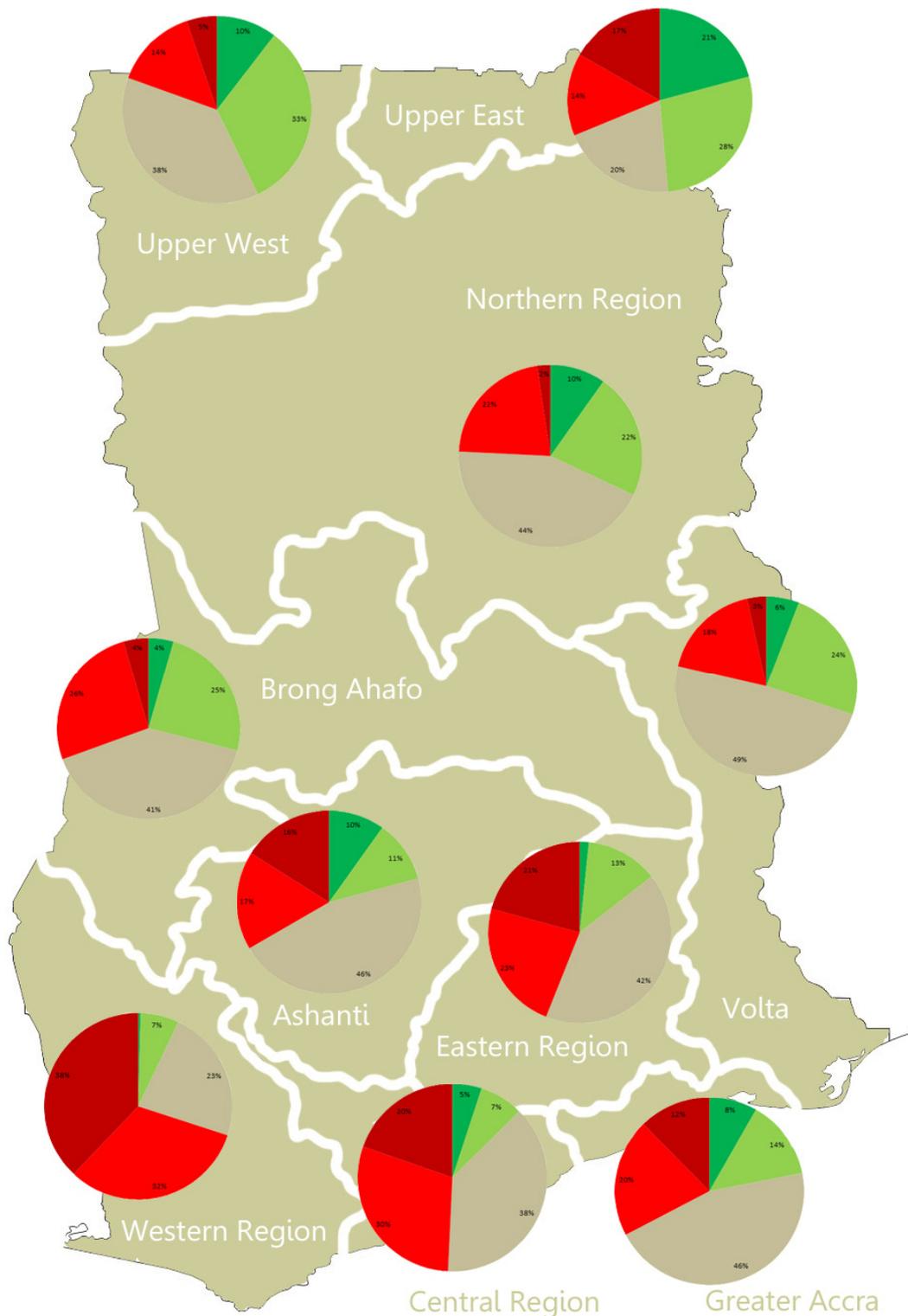


Figure 14: "Incomes and revenues are spent wisely."

The study also assessed whether the Western Region was benefiting too much when it comes to government investments in infrastructure and other sectors”. On the average about 23% of the total respondents agree (including strongly agree) while 35% disagree (including strongly disagree) with the notion (Figure 15). Only a small fraction (7%) of respondents in the Western Region indicated that their own region is benefiting too much but 70% disagree. Whereas this result is not surprising, the responses of the three northern regions significantly differ from the national average (Figure 16). 25% and 10% of the study populations in the Upper East and Upper West Regions respectively strongly agree with the assertion that Western Region is benefiting too much from government investments (Figure 16). Apart from the regional differences, the results suggest that the level of agreement to that assertion is linked to the level of education. Whereas 27% of those who have never been to school and 29% of those who have only basic education disagreed (including strongly disagree) with the notion the share of those with first degree and Post graduates is much higher at 55% and 44% respectively.



**Figure 15: "The Western Region is benefiting too much when it comes to government investments in infrastructure and other sectors."**



**Figure 16: "Western Region is benefiting too much."**

About 38 percent of the total respondents agreed to the assertion that Ghana will become similar to Nigeria with its economic and security problems within the next 10 to 15 years due to increasing poverty and income inequality whereas almost 30 percent disagree. Ashanti, Central Region and Northern Regions had the highest share of respondents who strongly agreed (Figure 17).

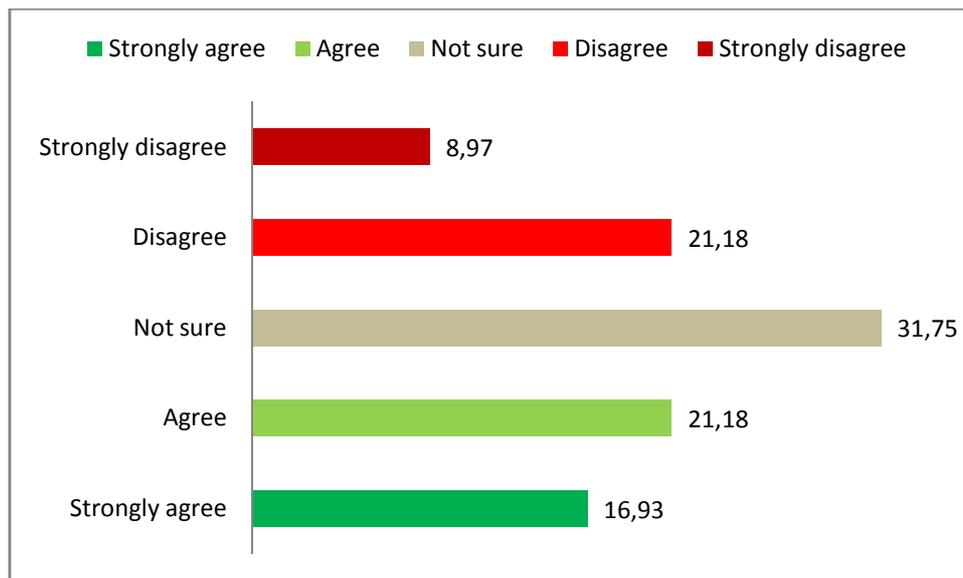


Figure 17: "Ghana will become a second Nigeria."

The study further assessed the trust of Ghanaians in their political leaders. The results as presented in Figure 18 suggest that majority of Ghanaians do not trust that politicians would help improve their living conditions. About 67 percent of the respondents disagree (including strongly disagree) with the view that politicians would help them have a better life whereas only about 14 percent agree (including strongly agree). The results also show that the older the respondents are the lower the fraction of those who disagree (and strongly disagree). This might suggest that the trust in politicians is slightly higher among the elderly people. However, the youth seems to be more critical and pessimistic about their political leaders.

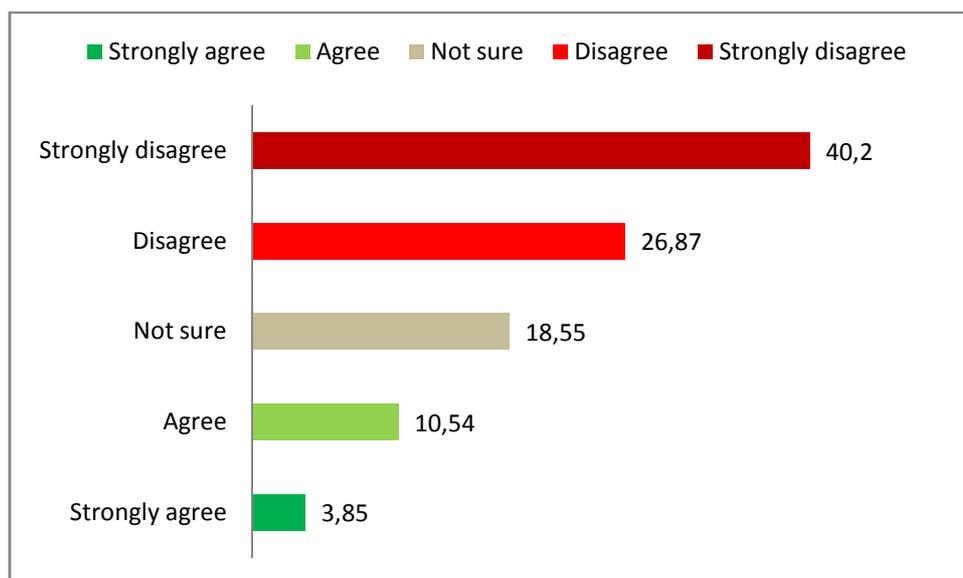
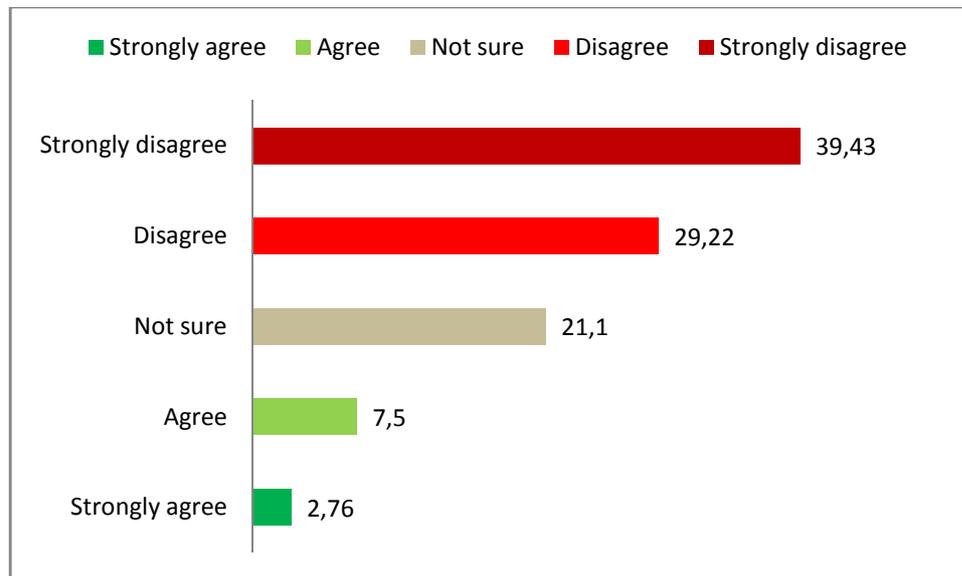


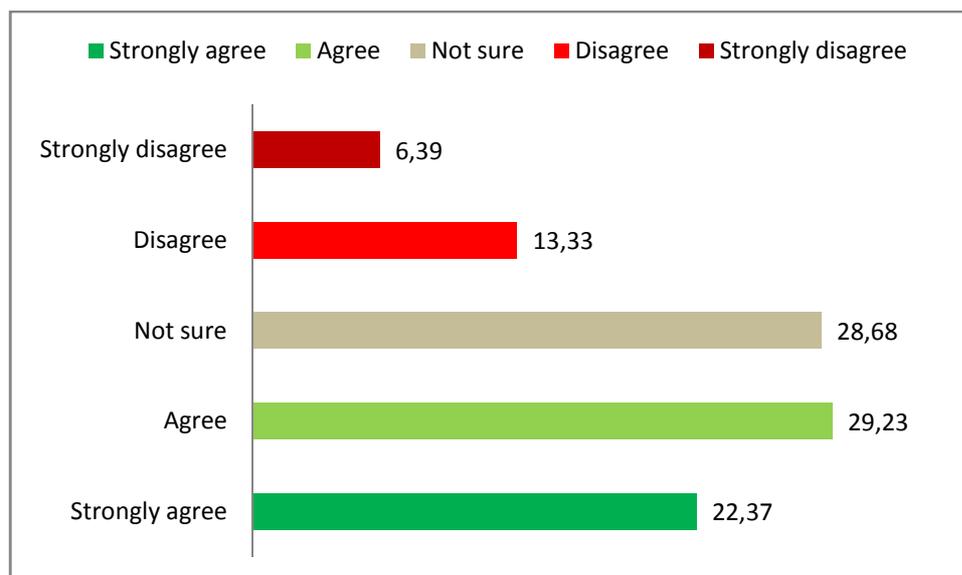
Figure 18: "Politicians will help the population to have a better life."

The study again looked at the distribution of revenues from the oil and gas industry. Only a minority of the participants (10%) agreed with the perception that the revenues from oil and gas production are shared and distributed equally among all Ghanaians. The vast majority (70%) however disagreed with that (Figure 19).



**Figure 19: "The revenues from oil and gas production are shared and distributed equally among all Ghanaians."**

About 51 percent of the respondents believed that the oil production would lead to further price increases in the country whereas 20 percent disagreed (Figure 20). The perception is more dominant in the Western and Ashanti Regions where 40 percent and 37 percent of the respondents respectively agreed with the assertion.



**Figure 20: "The oil production will even lead to further price increases."**

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In summary, the results of the section on political issues suggest that there is a feeling of mistrust against politicians' capability of steering the affairs of the country. The responses made by the study population reveal that a significant part of the population does not think that the government can ensure the equal distribution of oil revenues. On the other hand, the overall voting behavior has not been influenced by policies on oil and gas. The people's awareness of oil and gas related problems are to a huge extent not reflected in their voting decision. The older the people are, the less influenced is there voting behavior by politics on oil and gas.

## 8 Conclusions and Recommendations

Drastic price increments are obvious. The frustration can be felt everywhere – no matter where the respondents are coming from. Especially young people, women and other marginalized groups (such as workers in the informal sector or unemployed people) are the most affected.

This frustration could lead eventually to social unrests and conflicts which may threaten the stability of Ghana. Coincidences such as demonstrations and unrest in Tema, the Western Region and Eastern Region should be already an eye opener for the elite in the country that the current problems may be the causes for future violent conflicts.

The tendency of an increasing consumer-price-index may have different reasons. Firstly, the businessmen and owners of properties would like to have their share of being now an oil producing country. This happened in Nigeria and Angola as well. As soon as the oil find was announced, prices for rent and services went up. Nevertheless, it has to be mentioned that the costs of running businesses have been increased immensely as well (rent, taxes, duties, etc.).

Secondly, Ghanaian governments over decades have spent the money unwisely. Over-budgeting, mismanagement and corruption left the state in a position with little money reserves, empty bank accounts and high state debts. The value of the national currency Cedi decreased massively.

These tendencies are hinting on an “explosive mixture” of different developments in the country. The high expectations of the citizens cannot be fulfilled anymore, which leaves the government under high pressure.

The Executive needs to adopt and implement measures and instruments in order to ensure good governance and efficient management of finances. Whoever is guilty of being corrupt or mismanaged money of the state must be removed from the political system and be sanctioned. Price developments have to be regulated in order to mitigate their effects on citizens.

A state is a regulatory body which protects citizens. A state is an entity which has to provide the equal opportunities for all citizens in order to live a self-determined life. This means, that a state should provide especially infrastructure, education and health care (amongst others) for all. This will be paid by the taxes of citizens. Furthermore, the state creates an environment to build up a strong economy in order to create jobs. Regulations for decent work and good salary make the citizens to self-entrepreneurs who are capable of paying their bills at the end of the months without relying on external help or state benefits.

The results of the survey show clearly that a lot has to be done in order to prevent higher costs for people in Ghana which leaves them in a situation where they have to cope with a declining living standard. It needs a comprehensive strategy to which everybody in Ghanaian politics is committed to – every ministry and every party. Pooled forces only can help to ensure a better future for all Ghanaians in the country.

People in the most affected areas should therefore focus more on the side businesses of the oil production which gives more opportunities to find employment. It is also necessary that

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Ghana goes through a process of structural transformation of the economy in order to respond to the increasing demand of jobs in different economic sectors.

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